

**CONTRACT FOR SALE OF LAND FOR
PRIVATE REDEVELOPMENT**

PART I

This AGREEMENT, consisting of this Part I and Part II annexed hereto and made a part hereof (which Part I and Part II collectively form the "Agreement"), made on or as of the 17th day of January, 2019, by and between the CITY OF SAN ANTONIO, TEXAS (the "City") acting by and through the URBAN RENEWAL AGENCY OF THE CITY OF SAN ANTONIO d/b/a OFFICE OF URBAN REDEVELOPMENT SAN ANTONIO (the "Agency"; the City, acting by and through the Agency shall be referred to as "Seller"), each a public body corporate and include with any successor public body or officer hereafter designated by or pursuant to law, established pursuant to Texas Local Government Code Chapter 374, as amended, of the State of Texas (hereinafter called "Urban Renewal Act") and having its office at 1400 S. Flores, in the City and Franklin Development Properties, Ltd. Properties, Ltd., organized and existing under the laws of the State of Texas, or individual(s) (hereinafter called "Redeveloper") and having an office for transaction of business at 21260 Gathering Oaks, Suite 101, in the City and State of Texas.

WITNESSETH:

WHEREAS, in furtherance of the objectives of the Urban Renewal Act, the Seller has undertaken a program for the clearance and reconstruction or rehabilitation of slum and blighted areas in the City, and in connection with the foregoing is engaged in carrying out urban renewal projects known as 3830 Parkdale Drive Project (hereinafter called "Project") in City Council District 8 (hereinafter called "Project Area") located in the City; and

WHEREAS, as of the date of the Agreement there has been prepared and approved by the City Council of the City an urban renewal plan for the Project consisting of the Urban Renewal Plan dated February 2, 2017 and approved by Ordinance No. 2017-02-02-0052 as so constituted from time to time (hereinafter called "Urban Renewal Plan"); and

WHEREAS, a copy of the Urban Renewal Plan, which has not been amended since the date of the adoption has been filed in the office of the City Clerk of the City located at the City Hall, San Antonio, Texas; and

WHEREAS, in that certain Request for Proposal ("RFP") dated November 5, 2018, the Seller has offered to sell two lots (2) and the Redeveloper is willing to purchase these two (2) lots located in the Project Area identified as follows: [3830 Parkdale Drive, San Antonio, TX 78229, Property ID #: 551088, NCB 14445 P-111 ABS 260; and Datapoint Drive, San Antonio, TX 78229, Property ID #: 551086, NCB 14445 Blk Lot P-71B, San Antonio, Bexar County, Texas], and more particularly described by metes and bounds or survey in **Exhibit "A"** attached hereto and made a part hereof (which Properties as so described are hereinafter referred to collectively as "Property") and to redevelop the Property for and in accordance with the uses specified in the Urban Renewal Plan and the Agreement; and

WHEREAS, the Seller believes that the redevelopment of the Property pursuant to the Agreement (hereafter referred to as the "Project") and the fulfillment generally of the Agreement, are in the vital and best interest of the City and in accord with the public purposes and provisions of the applicable State and local laws and requirements under which the Project has been undertaken and is being assisted;

NOW, THEREFORE, in consideration of the premises and mutual obligation of the parties hereto, each of them does hereby covenant and agree with the other as follows:

PART I

SEC. 1. SALE: CONSIDERATION .

(a) Subject to all the terms, covenants, and conditions of the Agreement, the Seller will sell to the Redeveloper and the Redeveloper will purchase from the Seller the Property at the price of \$30,000.00 which shall hereafter be referred to as the "Purchase Price". The Purchase Price shall be paid in cash or by cashier's check simultaneously with the delivery of the deed conveying the Property to the Redeveloper.

(b) Seller will also provide to Redeveloper an amount of \$4,400,000.00 as reimbursement for eligible expenses consistent with the City's Urban Renewal Plan to assist Redeveloper with the costs of the development of the Property.

SEC. 2. CONVEYANCE OF PROPERTY.

(a) Form of Deed. The Seller shall convey to the Redeveloper title to the Property by Special Warranty Deed. Such conveyance and title shall, in addition to the condition subsequently provided for in Section 704 hereof, and to all other conditions, covenants, and restrictions set forth or referred to elsewhere in the Agreement, be subject to:

(1) All the restrictions and building requirements set forth in the City's Urban Renewal Plan including the restriction regarding involuntary displacement;

(2) A Deed Restriction applicable to each individual lot and improvement constructed thereon by the Redeveloper limiting the use of the Property to the use and for the purpose of providing affordable housing as set forth in the Request for Proposals for the Project (the "RFP") for a period of forty (40) years from the date of conveyance from the Seller to the Redeveloper to which the Redeveloper agrees to be bound and which the Redeveloper agrees to include in each and every purchase agreement entered into by Redeveloper with all end-buyers of lots and residences constructed on the Property and which shall also provide that a violation of the restriction will cause the title to the Property or the individual property conveyed subsequent to this execution of this Agreement to automatically revert to the grantor; and

(3) All easements of record in the Official Public Records of Bexar County, Texas or apparent on the Property.

The Special Warranty shall contain the "AS-IS, WHERE-IS, WITH ANY AND ALL FAULTS" disclaimer of representations and warranties and environmental conditions as set forth in the RFP.

(b) Time and Place for Delivery of Deed. The Seller shall deliver the Deed and possession of the Property to the Redeveloper on November 1, 2019, or such earlier date as the parties may mutually agree in writing. Conveyance shall be made at the office of Chicago Title Company, at 15727 Anthem Parkway, Suite 210 (hereinafter "Title Company"), and the Redeveloper shall accept such conveyance and pay to the Seller at such time and place the Purchase Price.

(c) Apportionment of Current Taxes. The portion of the current taxes, if any, on the Property which are a lien

on the date of delivery of the Deed to the Redeveloper, allocable to buildings and other improvements which have been demolished or removed from the Property by the Seller, shall be borne by the Seller and the portion of such current taxes allocable to the land shall be apportioned between the Seller and the Redeveloper as of the date of delivery of the Deed. If the amount of the current taxes on the Property is not ascertainable on such date, the apportionment shall be subject to final adjustment within thirty (30) days after the date of the actual amount of such current taxes is ascertained.

(d) Recordation of Deed. The Redeveloper shall cause the Title Company to promptly file the Deed for recordation among the land records of the place in which the Property is situated. The Redeveloper shall pay all costs for recording the Deed.

(e) Title Insurance Policy. A Title Insurance Policy for the Property shall be issued by the Title Company, and Seller shall bear the cost of said title insurance policy.

(f) Future Taxes. Redeveloper agrees to pay all property taxes on the Property commencing the date title is transferred to said Redeveloper until the Redeveloper later disposes of the property.

SEC. 3. GOOD FAITH DEPOSIT.

(a) Amount. With its response to the RFP, the Redeveloper delivered to the Seller a cashier's check payable to the Title Company in the amount of \$10,000.00, hereinafter called "Deposit", as security for the performance of the obligations of the Redeveloper to be performed in connection with the RFP. The Deposit shall be delivered to the Title Company. Within two (2) business days after execution of this Agreement by the Seller, the Redeveloper shall deposit an additional amount of \$10,000.00, hereinafter called "Earnest Money", with the Title Company as earnest money as security for the performance of the obligations of the Redeveloper to be performed in connection with this Agreement.

(b) Interest. Neither the Title Company, the City, nor the Agency shall be under any obligation to pay or earn interest on the Deposit or Earnest Money, but if interest is payable thereon, such interest, shall be applied to the Purchase Price at the closing.

(c) Retention by Seller. Upon termination of the Agreement as provided in Section 703 and 704 of this Agreement, the Deposit or the proceeds of the Deposit, if not theretofore returned to the Redeveloper pursuant to paragraph (d) of this Section, including all interest payable on such Deposit or the proceeds thereof after such termination, shall be retained by the Seller as provided in section 703s and 704 of this Agreement.

(d) Return to Redeveloper. Upon termination of the Agreement as provided in Section 702 hereof, the Deposit and Earnest Money shall be returned to the Redeveloper by the Seller as provided in Section 702 hereof.

SEC. 4. TIME FOR COMMENCEMENT AND COMPLETION OF IMPROVEMENTS.

The construction of the improvements referred to in Section 301 of Part II of this Agreement shall be commenced in any event within ninety (90) days after the Closing, except as otherwise provided in the Agreement, and shall be completed by no later than June 30th, 2021.

As used in this Agreement, construction commences when Redeveloper has physically begun construction of the approved improvements on the Property (to include, minimally, excavation for a foundation or the erection of structural elements of the improvements) after obtaining all necessary and valid licenses and permits to begin construction of the approved improvements on the Property; and construction is completed when a valid certificate of occupancy has issued for all the improvements constructed on the Property.

SEC. 5. TIME FOR CERTAIN OTHER ACTIONS.

(a) Time for Submission of Construction Plans. The time within which the Redeveloper shall submit "Construction Plans" (as defined in Section 301 of Part II of this Agreement) to the Seller in any event, pursuant to Section 301 hereof, shall not be later than 45 days from the date of the Agreement. Failure by Redeveloper to provide said Construction Plans within the time stated herein shall result in the termination of the Agreement as provided in Section 703 hereof.

(b) Time for Submission of Corrected Construction Plans. Except as provided in paragraph (c) of this Section 5, the time within which the Redeveloper shall submit any new or corrected Construction Plans as provided for in Section 301 of Part II of this Agreement shall not be later than fifteen (15) days after the date the Redeveloper receives written notice from the Seller of the Seller's first rejection of the original Construction Plans referred to in the latest such notice.

(c) Maximum Time for Approved Construction Plans. In any event, the time within which the Redeveloper shall submit Construction Plans which conform to the requirements of Section 301 of Part II this Agreement and are approved by the Seller shall not be later than thirty (30) days after the date the Redeveloper receives written notice from the Seller of the Seller first rejection of the original Construction Plans submitted to it by the Redeveloper.

(d) Time for Seller Action on Change in Construction Plans. The time within which the Seller may reject any change in the Construction Plans, as provided in Section 302 of Part II of this Agreement, shall be fifteen (15) days after the date of the Seller's receipt of notice of change.

(e) Time for Submission of Evidence of Equity Capital and/or Mortgage Financing. The time within which the Redeveloper shall submit to the Seller, in any event, evidence as to equity capital and any commitment necessary for mortgage financing, as provided in Section 303 of Part II of this Agreement, shall be not later than 15 days after the date of written notice to the Redeveloper of approval of the Construction Plans by the Seller or, if the Construction Plans shall be deemed to have been approved as provided in Section 301 of Part II this Agreement, after the expiration of thirty (30) days following the date of receipt by the Seller of the Construction Plans so deemed approved. Failure by Redeveloper to provide said Evidence of Equity Capital and/or Mortgage Financing within the time stated herein shall result in the termination of the Agreement as provided in Section 703 of Part II this Agreement.

SEC. 6. PERIOD OF DURATION OF COVENANT ON USE.

The covenant pertaining to the uses of the Property, set forth in Section 401 of Part II this Agreement, shall remain in effect from the date of the Deed until the later of: a 40 year period, or the period specified or referred to in the Urban Renewal Plan. The Seller shall prepare a covenant based upon the terms and conditions for the provision of affordable housing as set forth in the Redeveloper's response to the RFP and shall provide Seller and the City representatives reasonable access to the Property and the Redeveloper's and its successors and assigns records for the duration of the covenant to monitor and ensure compliance with the Urban Renewal Plan and this Agreement. The covenant shall be recorded contemporaneously with the Special Warranty Deed provided for in Section 2 of Part I.

SEC. 7. NOTICES AND DEMANDS.

A notice, demand, or other communication under the Agreement by either party to the other shall be sufficiently given or delivered if it is dispatched by certified mail, postage prepaid, return receipt requested, or delivered personally by courier; and

(i) in the case of the Redeveloper, is addressed to or delivered personally to the Redeveloper at 21260 Gathering Oaks, Suite 101, San Antonio, Texas 78260.

(ii) in the case of the Seller, is addressed to or delivered personally to the Seller at 1400 S. Flores, San Antonio, Texas 78204, or at such other address with respect to either such party as that party may, from time to time, designate, in writing, and forward to the other as provided in this Section; with a copy to the City at City of San Antonio, Neighborhood Housing & Services Department, Attention: Housing Bond Administrator, 1400 S. Flores, San Antonio, Texas 78204.

SEC. 8. SPECIAL PROVISIONS.

All published material submitted pursuant to this development shall include the following reference:

"This development was accomplished with the assistance of OFFICE OF URBAN REDEVELOPMENT SAN ANTONIO with funding approved by the voters of the City of San Antonio for the 2017-2022 Neighborhood Improvements Bond."

SEC.9. MISCELLANEOUS PROVISIONS

(i) The Redeveloper hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and, to the extent this Agreement is a contract for goods or services, will not boycott Israel during the term of this Agreement. The foregoing verification is made solely to comply with Section 2270.002, Texas Government Code, as amended, and to the extent such section does not contravene applicable federal law. As used in the foregoing verification, "boycott Israel" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The Redeveloper

understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the Redeveloper and exists to make a profit.

(ii) The Redeveloper represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, as amended, and posted on any of the following pages of such officer's Internet website:

<https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>,
<https://comptroller.texas.gov/purchasing/docs/iranlist.pdf>, or
<https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>.

The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, as amended, and to the extent such section does not contravene applicable federal law and excludes the Redeveloper and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The Redeveloper understands "affiliate" to mean any entity that controls, is controlled by, or is under common control with the Redeveloper and exists to make a profit.

(iii) The Redeveloper is required to file and deliver in accordance with applicable State law (unless exempted under applicable law) a Certificate of Interested Parties Form 1295 ("Form 1295") and certification of filing generated by the Texas Ethics Commission's electronic portal, signed by an authorized representative, prior to the execution of this Agreement by the Seller and the Redeveloper. The Redeveloper and the Seller understand that neither the Seller nor its consultants have the ability to verify the information included in Form 1295, and neither the Seller nor its consultants have an obligation, nor have undertaken any responsibility, for advising the Redeveloper with respect to the proper completion of Form 1295 other than, with respect to the Seller, providing the identification numbers required for the completion of Form 1295.

(iv) All acts, conditions, and things required to exist and to be done precedent to and in execution of this Agreement to render the same lawful and valid have been properly done, have happened and have been performed in regular and due time, form, and manner as required by the laws of the State of Texas and the Urban Renewal Plan.

(v) The Redeveloper agrees to provide those services described in its response to the RFP delivered to the City on November 5, 2018, RFP ID Number RFPNHSD09022018, as supplemented by the presentation made November 26, 2018 and written options information in conjunction there within , attached hereto and incorporated by reference.

SEC. 10. COUNTERPARTS.

The Agreement may be executed in multiple counterparts, which shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Seller has caused the Agreement to be duly executed in name and behalf of any authorized representative and its seal to be hereunder duly affixed and the Redeveloper has caused the Agreement to be duly executed as of the 17th day of January, 2019.

CITY OF SAN ANTONIO, TEXAS,

acting by and through the

URBAN RENEWAL AGENCY OF THE

CITY OF SAN ANTONIO d/b/a

OFFICE OF URBAN REDEVELOPMENT SAN ANTONIO

Title: _____

FRANKLIN DEVELOPMENT PROPERTIES, LTD.

Title: _____

(AGENCY ACKNOWLEDGEMENT)

STATE OF TEXAS }

COUNTY OF BEXAR }

BEFORE ME, the undersigned authority, on the day personally appeared _____, EXECUTIVE DIRECTOR of the Urban Renewal Agency of the City of San Antonio d/b/a Office of Urban Redevelopment San Antonio, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that he/she executed the same for the purposes and consideration therein expressed and in the capacity therein stated and as the act and deed of the Urban Renewal Agency of the City of San Antonio.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS _____ day of _____, 20____.

Notary Public in and for the State of Texas

(REDEVELOPER ACKNOWLEDGMENT)

STATE OF TEXAS }

COUNTY OF BEXAR }

BEFORE ME, the undersigned, a Notary Public in and for the State of Texas on this day personally appeared known to me to be the person and officer whose name is subscribed to the foregoing instrument as _____ of and acknowledged to me that he (or she) executed the same for the purposes and consideration therein expressed, and as the act and deed of said _____.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS _____ day of _____, 20____.

Notary Public in and for the State of Texas

Description of Property

[illegible]

URBAN RENEWAL PROGRAM

TERMS AND CONDITIONS

PART II

OF

CONTRACT FOR

SALE OF LAND FOR PRIVATE REDEVELOPMENT

BY AND BETWEEN

THE CITY OF SAN ANTONIO, TEXAS, ACTING BY AND THROUGH,

URBAN RENEWAL AGENCY OF THE CITY OF SAN ANTONIO

DBA

OFFICE OF URBAN REDEVELOPMENT SAN ANTONIO

AND

**Franklin Development Properties, Ltd.
("Redeveloper")**

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ARTICLE I. PREPARATION OF PROPERTY FOR REDEVELOPMENT

SEC. 101. Waiver of Claims and Joining in Petitions by Redeveloper. The Redeveloper hereby waives (as the purchaser of the Property under the Agreement and as the owner after the conveyance of the Property provided for in the Agreement) any and all claims to awards of damages, if any, to compensate for the closing, vacation, or change of grade of any street, alley, or other public right-of-way within or fronting or abutting on, or adjacent to, the Property which is to be closed or vacated, or the grade of which is to be changed, and shall upon the request of the Seller subscribe to, and join with the Seller in any petition or proceeding required for such vacation, dedication, change of grade, and, to the extent necessary, rezoning, and execute any waiver or other document in respect thereof.

ARTICLE II. RIGHTS OF ACCESS TO PROPERTY

SEC. 201. Right of Entry for Utility Service. The Seller reserves for itself and any public utility company, as may be appropriate, the unqualified right to enter upon the Property at all reasonable times for the purpose of reconstruction, maintaining, repairing, or servicing the public utilities located within the Property boundary lines and provided for the easements described or referred to in Paragraph (a), Section 2 of Part I hereof.

SEC. 202. Redeveloper Not to Construct Over Utility Easements. The Redeveloper shall not construct any building or other structure or improvement on, over, or within the boundary lines of any easement for public utilities described or referred to in Paragraph (a), Section 2 of Part I hereof, unless such construction is provided for in such easement or has been approved by the City. If approval for such construction is requested by the Redeveloper, the Seller shall use its best efforts to assure that such approval shall not be withheld unreasonably.

SEC. 203. Redeveloper Not to Interfere With Adjacent Property Access to Datapoint Drive. Redeveloper shall comply, and shall cause Redeveloper's contractors, subcontractors, vendors, suppliers, employees and agents to comply, with all easements, restrictions and other matters of record in the Official Public Records of Bexar County, Texas including, but not limited to, that certain Release of Easement and Agreement Regarding Development of Property entered into between SPU8 Signature Ridge, LLP and El Planeta, LLC, concerning the Property. Without limiting the foregoing, the Redeveloper shall not alter, restrict, impede or impair ingress and egress to and from Datapoint Drive and the neighboring property currently known as the "Signature Ridge Property" whose physical address is 3711 Medical Drive, San Antonio, Texas 78229 during the course of or in connection with the development and redevelopment of the Property, including the construction of improvements on the Property, as the ingress and egress route and access to the Signature Ridge Property exists on the date of this

Agreement. The Signature Ridge Property is more accurately shown on the survey attached hereto as Exhibit A. Redeveloper shall make every reasonable effort to avoid accessing the Property near the Datapoint Drive ingress and egress area and route leading to the Signature Ridge Property by, including but not limited to, utilizing alternate areas of the Property to stage, store, locate or maintain construction materials, equipment and any other property owned or under the control or supervision of the Redeveloper and its subcontractors; using alternate access routes to the Property in order to conduct construction and development work on the Property. Any alterations restriction, impeding, or impairment of the Signature Ridge Property's ingress or egress to Datapoint Drive shall be the sole responsibility and fault of the Redeveloper and Redeveloper agrees to fully indemnify and hold harmless the City for any and all claims brought by any party relating to or resulting from Redeveloper's violation of this Section.

SEC. 204. Access to Property. Prior to the conveyance of the Property by the Seller to the Redeveloper, the Seller shall permit representatives of the Redeveloper to have access to any part of the Property as to which the Seller holds title, at all reasonable times for the purpose of obtaining data and making various tests concerning the Property necessary to carry out the Agreement. After the conveyance of the Property by the Seller to the Redeveloper, the Redeveloper shall permit the representatives of the Seller access to the Property at all reasonable times which any of them deems necessary for the purposes of the Agreement and the covenant described in Section 6 of Part I, including, but not limited to, inspection of all work being performed in connection with the construction of the Improvements. No compensation shall be payable nor shall any charge be made in any form by any party for the access provided for in this Section.

ARTICLE III. CONSTRUCTION PLANS; CONSTRUCTION OF IMPROVEMENTS; CERTIFICATE OF COMPLETION

SEC. 301 Plans for Construction of Improvements. Plans and specifications with respect to the redevelopment of the Property and the construction of improvements thereon shall be in conformity with the Urban Renewal Plan, the Redeveloper's response to the RFP, the Agreement, the Ordinance calling the Election, the City's Code of Ordinances and Unified Development Code, and all applicable State and local laws and regulations. As promptly as possible after the date of the Agreement, and, in any event, no later than the time specified therefor in Paragraph (a), Section 5 Part I hereof, the Redeveloper shall submit to the Seller, for approval by the Seller, plans, drawings, specifications, and related documents, and the proposed construction schedule (which plans, drawings, specifications, related documents, and progress schedule, together with any and all changes therein that may thereafter be made and submitted to the "Seller" as herein provided, are except as otherwise clearly indicated by the context, hereinafter collectively called "Construction Plans") with respect to the improvements to be constructed by the Redeveloper on the Property, in sufficient completeness and detail to show that such improvements and construction thereof will be in accordance with the provisions of the Urban Renewal Plan, the Redeveloper's response to the RFP, all applicable City codes including its Unified Development Code and this Agreement. The Seller shall, if the Construction Plans originally submitted conform to the provisions of the Urban Renewal Plan, the Redeveloper's response to the RFP, applicable City codes and its Unified Development Code, and the Agreement, approve in writing such unmodified Construction Plans and no further filing by the Redeveloper or approval by the Seller thereof shall be required except with respect to any material change as set forth in Section 302. Such unamended Construction Plans shall in any event, be deemed approved unless rejection thereof within forty-five (45) days after the date of their receipt by the Seller. If the Seller so rejects the Construction Plans in whole or in part as not being in conformity with the Urban Renewal Plan, the Redeveloper's response to the RFP, or the Agreement, the Redeveloper shall submit new or corrected Construction Plans which are in conformity with the Urban Renewal Plan, the Redeveloper's response to the RFP, applicable City codes and its Unified Development Code, and the Agreement with the time specified therefor in Paragraph (b), Section 5 of Part I hereof after written notification to the Redeveloper of the rejection. The provisions of this Section relating to approval, rejection, and resubmission of corrected Construction Plans hereinabove provided with respect to the original Construction Plans shall continue to apply until the Construction Plans have been approved by the Seller:

Provided, that in any event the Redeveloper shall submit Construction Plans which are in conformity with the requirements of the Urban Renewal Plan, the Redeveloper's response to the RFP, and the Agreement, as determined by the Seller, no later than the time specified therefor in Paragraph (c), Section 5 of Part I hereof. All work with respect to the improvements to be constructed or provided by the Redeveloper on the Property shall be in conformity with the Construction Plans as approved by the Seller. The term "Improvements", as used in this Agreement, shall be deemed to have reference to the improvements as provided and specified in the Construction Plans as so approved.

SEC. 302. Changes in Construction Plans. If the Redeveloper desires to make any change in the Construction Plans after their approval by the Seller, the Redeveloper shall submit the proposed change to the Seller for its approval. If the Construction Plans, as modified by the proposed change, conform to the requirements of Section 301 hereof with respect to such previously approved Construction Plans, the Seller shall approve the proposed change and notify the Redeveloper in writing of its approval. Such change in the Construction Plans shall, in any event, be deemed rejected, in whole or in part, unless written notice thereof is given by the Seller to the Redeveloper, setting forth such approval.

SEC. 303. Evidence of Equity Capital and Mortgage Financing. As promptly as possible after approval by the Seller of the Construction Plans, and in any event, no later than the time specified therefor in Paragraph (e), Section 5 Part I hereof, the Redeveloper shall submit to the Seller evidence satisfactory to the Seller that the Redeveloper has the equity capital and commitments for mortgage financing necessary for the construction of the Improvements aside from and notwithstanding any incentives or gap financing provided by the Seller under the terms of this Agreement.

SEC. 304. Approvals of Construction Plans and Evidence of Financing as Conditions Precedent to Conveyance. The submission of Construction Plans and their approval by the Seller as provided in Section 301 hereof, and the submission of evidence of equity capital and commitments for mortgage financing as provided in Section 303 hereof, are conditions precedent to the obligation of the Seller to convey the Property to the Redeveloper.

SEC. 305. Commencement and Completion of Construction of Improvements. The Redeveloper agrees for itself, its successors and assigns, and every successor in interest to the Property, or any part thereof, and the Deed shall contain covenants on the part of the Redeveloper for itself and such successors and assigns, that the redevelopment of the Property through the construction of the Improvements thereon, and that such construction shall in any event begin within the period specified in Section 4 of Part I hereof and be completed within the period specified in such Section 4. It is intended and agreed, and the Deed shall so expressly provide, that without regard to technical classification or designation, legal or otherwise, and except only as otherwise specifically provided in the Agreement itself, be, to the fullest extent permitted by law and equity, binding for the benefit of the community, the Seller and enforceable by the Seller against the Redeveloper and its successors and assigns to or of the Property or any part thereof or any interest therein.

SEC. 306. Progress Reports. Subsequent to conveyance of the Property or any part thereof, to the Redeveloper, and until construction of the Improvements has been completed, the Redeveloper shall make reports, in such detail and at such times as may reasonably be requested by the Seller, as to the actual progress of the Redeveloper with respect to such construction.

SEC. 307. Certificate of Completion.

(a) Promptly after completion of the Improvements in accordance with those provisions of the Agreement relating solely to the obligations of the Redeveloper to construct the Improvements (including the dates for beginning and completion thereof), the Seller will furnish the Redeveloper with an appropriate instrument so certifying completion. Such

certification by the Seller shall be (and it shall be so provided in the Deed and in the certification itself) a conclusive determination of satisfaction of the agreements and covenants in the Agreement and in the Deed with respect to the obligations of the Redeveloper, and its successors and assigns, to construct the Improvements and the dates for the beginning and completion thereof. Such certification and such determination shall not constitute evidence of compliance with or satisfaction of any obligation of the Redeveloper to any holder of a mortgage, or any insurer or a mortgage, securing money loaned to finance the Improvements, or any part thereof. The completion certificate does not relieve or otherwise provide the authority for the Redeveloper to forego compliance with the covenants as set forth herein.

(b) The certification provided for in this Section 307 shall be in such form as will enable it to be recorded in the proper office for the recordation of deeds and other instruments pertaining to the Property, including the Deed. If the Seller shall refuse or fail to provide any certification in accordance with the provisions of this Section, the Seller shall, within thirty (30) days after written request by the Redeveloper provide the Redeveloper with a written statement, indicating in adequate detail in what respects the Redeveloper has failed to complete the Improvements in accordance with the provisions of the Agreement, or is otherwise in default, and what measures or acts will be necessary, in the opinion of the Seller, for the Redeveloper to take or perform in order to obtain such certification.

ARTICLE IV. RESTRICTIONS UPON USE OF PROPERTY

SEC. 401. Restrictions on Use. The Redeveloper agrees for itself, and its successors and assigns, and every successor in interest to the Property, end-buyers of lots or residences constructed thereon, and the Deed shall contain covenants on the part of the Redeveloper for itself, and such successors and assigns, that the Redeveloper, and such successors and assigns, shall for the time period set forth in Part I of this Agreement:

- (a) Devote the Property to and only to and in accordance with, the uses specified in the Urban Renewal Plan and in accordance with the Redeveloper's response to the RFP; and
- (b) Not discriminate upon the basis of race, color, creed, or national origin in the sale, lease, or rental or in the use or occupancy of the Property or any improvements erected or to be erected thereon, or any part thereof.

SEC. 402. Covenants; Binding Upon Successors in Interest Period of Duration. It is intended and agreed, and the Deed shall so expressly provide, that the agreements and covenants provided in Section 401 hereof shall be covenants running with the land and that they shall, in any event, and without regard to technical classification or designation, legal or otherwise, and except only as otherwise specifically provided in the Agreement, be binding, to the fullest extent permitted by law and equity, for the benefit and in favor of, and enforceable by, the Seller and any successor in interest to the Property, or any part thereof, against the Redeveloper, its successors and assigns and every successor in interest to the Property, or any part thereof. Redeveloper agrees to require each subsequent purchaser and end-buyer of lots or residences constructed on each lot to execute a restrictive covenant requiring the Property to only be used in accordance with the uses specified in the Urban Renewal Plan and in accordance with the Redeveloper's response to the RFP and, in particular, the continual use of the Property as and for the purpose of affordable housing. It is further intended and agreed that the agreement and covenant provided in subdivision (a) of Section 401 hereof shall remain in effect for the period of time, or until the date, specified or referred to in Section 6 Part I hereof (at which time such agreement and covenant shall terminate) and that the agreements and covenants provided in subdivision (b) of Section 401 hereof shall remain in effect without limitation as to time: Provided, that such agreements and covenants shall be binding on the Redeveloper itself, each successor in interest to the Property, and every part thereof, and each party in possession or occupancy, respectively, only for such period as such successor or party shall have title to, or an interest in, or possession or occupancy of, the Property or part thereof. The terms "uses specified in the Urban Renewal Plan" and "land use" referring to provisions of the Urban Renewal Plan, or similar language, in the Agreement shall include the land and all building, housing, and other requirements or restrictions of the Urban Renewal Plan pertaining to such land.

SEC. 403. Seller and United States Rights to Enforce. In amplification, and not in restriction of the provisions of the preceding Section it is intended and agreed that the Seller and its successors and assigns shall be deemed beneficiaries of the agreements and covenants provided in Section 401 hereof, both for and in their or its own right and also for the purposes of protecting the interests of the community and other parties, public or private, in whose favor or for whose benefit such agreements and covenants have been provided. Such agreements and covenants shall (and the Deed shall so state) run in favor of the Seller, for the entire period during which such agreements and covenants shall be in force and effect, without regard to whether the Seller has at any time been remains, or is an owner of any land or interest therein to or in favor of which such agreements and covenants relate. The Seller shall have the right, in the event of any breach of any such agreement or covenant, to exercise all the rights and remedies, and to maintain any actions or suits at law or in equity or other proper proceedings to enforce the curing of such breach of agreement or covenant, to which it or any other beneficiaries of such agreement or covenant may be entitled.

ARTICLE V. PROHIBITIONS AGAINST ASSIGNMENT AND TRANSFER

SEC. 501. Interval for Requesting Transfer of Property and Assignment of Agreement. The interval within which the Redeveloper may request a transfer of the Property and assignment of the Agreement shall be between the date of the Agreement and the date for the submission of equity capital and mortgage financing set forth in Part I, Section 5(e) of the Agreement.

SEC. 502. Representations As to Redevelopment. The Redeveloper represents and agrees that its purchase of the Property, and its other undertakings pursuant to the Agreement, are, and will be used, for the purpose of redevelopment of the Property as set forth in the Urban Renewal Plan and not for speculation in land holding. The Redeveloper further recognizes that, in view of:

(a) the importance of the redevelopment of the Property to the general welfare of the community;

(b) the substantial financing and other public aids that have been made available by applicable law and by the Seller for the purpose of making such redevelopment possible; and

(c) the fact that a transfer of the stock in the Redeveloper or of a substantial part thereof, or any other act or transaction involving or resulting in a significant change in the ownership or distribution of such stock or with respect to the identity of the parties in control of the Redeveloper or the degree thereof, is for practical purposes a transfer or disposition of the Property then owned by the Redeveloper, the qualifications and identity of the Redeveloper, and its stockholders are of particular concern to the community and the Seller. The Redeveloper further recognizes that it is because of such qualifications and identity that the Seller is entering into the Agreement with the Redeveloper, and in so doing, is further willing to accept and rely on the obligations of the Redeveloper for the faithful performance of undertakings and covenants hereby by it to be performed.

SEC. 503. Prohibition Against Transfer of Shares of Stock; Binding Upon Stockholders Individually. For the foregoing reasons, the Redeveloper represents and agrees for itself, its stockholders, and any successor in interest of itself and its stockholders, respectively, that: Prior to completion of the Improvements as certified by the Seller, and without the prior written approval of the an authorized representative of the City, (a) there shall be no transfer by any party owner of 10

percent or more of the stock in the Redeveloper (which term shall be deemed for the purposes of this and related provisions to include successors in interest of such stock or any part thereof or interest therein), (b) nor shall any such owner suffer any such transfer to be made, (c) nor shall there be or be suffered to be by the Redeveloper, or by any owner of 10 percent or more of the stock therein, any other similarly significant change in the ownership of such stock or in the relative distribution thereof, or with respect to the identity of the parties in control of the Redeveloper or the degree thereof, by any other method or means, whether by increased capitalization, merger with another corporation corporate or other amendments, issuance of additional or new stock or classification of stock, or otherwise. The City will consider request for variances from this prohibition for the transfers made in the ordinary course of business. With respect to this provision, the Redeveloper and the parties signing the Agreement on behalf of the Redeveloper represent that they have the authority of all of its existing stockholders to agree to this provision on their behalf and to bind them with respect thereto.

SEC. 504. Prohibition Against Transfer of Property and Assignment of Agreement. Also, for the foregoing reasons the Redeveloper represents and agrees for itself, and its successors and assigns, that except only by way of security for, and only for (i) the purpose of obtaining financing necessary to enable the Redeveloper or any successor in interest to the Property, or any part thereof, to perform its obligations with respect to making the Improvements under the Agreement, and (ii) any other purpose authorized by the Agreement, the Redeveloper (except as so authorized) has not made or created, and that it will not, prior to the proper completion of the Improvements as certified by an authorized representative of the City, make or create, or suffer to be made or created, any total or partial sale, assignment, conveyance, or lease or any trust or power, or transfer in any other mode or form of or with respect to the Agreement or the Property, or any part thereof or any interest therein, or any contract or agreement to do any of the same, without the prior written approval of the an authorized representative of the City: Provided, that, prior to the issuance by the Seller of the certificate provided for in Section 307 hereof as to completion of the construction of the Improvements, the Redeveloper may enter into any agreement to sell, lease, or otherwise transfer, after the issuance of such certificate, the Property or any part thereof or interest therein, which agreement shall not provide for payment of or on account of the purchase price or rent for the Property, or the part thereof or the interest therein to be so transferred, prior to the issuance of such certificate.

(a) The City shall be entitled to require, except as otherwise provided in the Agreement, as conditions to any such approval that:

(1) Any proposed transferee shall have the qualifications and financial responsibility, as determined by the City, necessary and adequate to fulfill the obligations undertaken in the Agreement by the Redeveloper (or in the event the transfer is of or relates to part of the Property, such obligations to the extent that they relate to such part).

(2) Any proposed transferee, by instrument in writing satisfactory to the City and in form recordable among the land records, shall, for itself and its successors and assigns, and expressly for the benefit of the City, have expressly assumed all of the obligations of the Redeveloper under the Agreement and agreed to be subject to all the conditions and restrictions to which the Redeveloper is subject (or, in the event the transfer is of or relates to part of the Property, such obligations, conditions, and restrictions to the extent that they relate to such part): Provided, that the fact that any transferee of, or any other successor in interest whatsoever to, the Property, or any part thereof, shall, whatever the reason, not have assumed such obligations or so agreed, shall not (unless and only to the extent otherwise specifically provided in the Agreement or agreed to in writing by the City) relieve or except such transferee or successor of or from such obligations, conditions, or restrictions, or deprive or limit the City of or with respect to any rights or remedies or controls with respect to the Property or the construction of the Improvements; it being the intent of this, together with other provisions of the Agreement, that (to the fullest extent permitted by law and equity and excepting only in the manner and to the extent specifically provided otherwise in the Agreement) no transfer of, or change with respect to, ownership in the Property or any part thereof, or any interest therein, however consummated or occurring, and

whether voluntary or involuntary, shall operate, legally or practically, to deprive or limit the City of or with respect to any rights or remedies or controls provided in or resulting from the Agreement with respect to the Property and the construction of the Improvements that the City would have had, had there been no such transfer or change.

(3) There shall be submitted to the City for review all instruments and other legal documents involved in effecting transfer, and if approved by the City, its approval shall be indicated to the Redeveloper in writing.

(4) The consideration payable for the transfer by the transferee or on its behalf shall not exceed an amount representing the actual cost (including carrying charges) to the Redeveloper of the Property (or allocable to the part thereof or interest therein transferred) and the Improvements, if any, theretofore made thereon by it; it being the intent of this provision to preclude assignment of the Agreement or transfer of the Property for profit prior to the completion of the Improvements and to provide that in the event any such assignment or transfer is made (and is not canceled) the City shall be entitled to increase the Purchase Price to the Redeveloper by the amount that the consideration payable for the assignment or transfer is in excess of the amount that may be authorized pursuant to this subdivision (4), and such consideration shall, to the extent it is in excess of the amount so authorized, belong to and forthwith be paid to the City.

(5) Transferee will be required to submit to the City an irrevocable letter of credit, issued by a bank or lending institution, wherein the City is the beneficiary, or a surety bond in form and substance satisfactory to the City, in which the City is the obligee, issued by a surety company regularly engaged in the issuance of such undertakings and on the list of surety companies approved by the United States Treasury, in an amount not to exceed ten percent (10%) of the total cost of the construction proposed by bidder as guarantee that said construction will be completed within the time specified in the Warranty Deed conveying title to the property. Said irrevocable letter of credit or surety bond shall be submitted by Transferee to the City on or before the date the City approves the transfer.

(6) The Redeveloper and its transferee shall comply with such other conditions as the City may find desirable in order to achieve and safeguard the purposes of the Urban Renewal Act and the Urban Renewal Plan.

Provided, that in the absence of specific written agreement by the City to the contrary, no such transfer or approval by the City thereof shall be deemed to relieve the Redeveloper, or any other party bound in any way by the Agreement or otherwise with respect to the construction of the Improvements, from any of its obligations with respect thereto.

SEC. 505. Information As to Stockholders. In order to assist in the effectuation of the purposes of this Article V and the statutory objectives generally, the Redeveloper agrees that during the period between execution of the Agreement and completion of the Improvements as certified by the City, (a) the Redeveloper will promptly notify the City in writing of any and all changes whatsoever in the ownership of stock, legal or beneficial, or of any other act or transaction involving or resulting in any change in the ownership of the respective business, which includes ownership of such stock or in the relative distribution thereof, or with respect to the identity of the parties in control of the Redeveloper or the degree thereof, of which it or any of its offices have been notified or otherwise have knowledge or information; and (b) the Redeveloper shall, at such time or times as the City may request, furnish the City with a complete statement, subscribed and sworn to by the President or other executive officer of the Redeveloper, setting forth all of the stockholders of the Redeveloper and the extent of their respective holdings, and interest, all as determined or indicated by the records of the Redeveloper, by specific inquiry made by any such office, of all parties who on the basis of such records own 10 percent or more of the stock in the Redeveloper, and by such other knowledge or information as such officer shall have. Such lists, data, and information shall in any event be furnished the City immediately prior to the delivery of the Deed to the Redeveloper and as

a condition precedent thereto, and annually thereafter on the anniversary of the date of the Deed until the issuance of a certificate of completion for all the Property.

ARTICLE VI. MORTGAGE FINANCING; RIGHTS OF MORTGAGEES

SEC. 601. Limitation Upon Encumbrance of Property. Prior to the completion of the Improvements, as certified by the Seller, neither the Redeveloper nor any successor in interest to the Property or any part thereof shall engage in any financing or any other transaction creating any mortgage or other encumbrance or lien upon the Property, whether by express agreement or operation of law, or suffer any encumbrance or lien to be made on or attach to the Property, except for the purposes of obtaining (a) funds only to the extent necessary for making the Improvements and (b) such additional funds, if any, in an amount not to exceed the Purchase Price paid by the Redeveloper to the Seller. The Redeveloper (or successor in interest) shall, in writing, notify the Seller in advance of any financing secured by mortgage or other similar lien instrument, it proposes to enter into with respect to the Property, or any part thereof, and in any event it shall promptly notify the Seller of any encumbrance or lien that has been created on or attached to the Property, whether by voluntary act of the Redeveloper or otherwise. For the purposes of such mortgage financing as may be made pursuant to the Agreement, the Property may, at the option of the Redeveloper (or successor in interest), be divided into several parts or parcels, provided that such subdivision, in the opinion of the Seller is not inconsistent with the purposes of the Urban Renewal Plan and the Agreement and is approved in writing by the Seller.

SEC. 602. Mortgagee Not Obligated to Construct. Notwithstanding any of the provisions of the Agreement, including but not limited to those which are or are intended to be covenants running with the land, the holder of any mortgage authorized by the Agreement (including any such holder who obtains title to the Property or any part thereof as a result of foreclosure proceedings, or action in lieu thereof, but not including (a) any other party who thereafter obtains title to the Property or such part from or through such holder or (b) any other purchaser at foreclosure sale other than the holder of the mortgage itself) shall in no wise be obligated by the provisions of the Agreement to construct or complete the Improvements or to guarantee such construction or completion nor shall any covenant or any other provision in the Deed be construed to so obligate such holder: Provided, that nothing in this Section or provision of the Agreement shall be deemed or construed to permit or authorize any such holder to devote the Property or any part thereof to any uses, or to construct any improvements thereon, other than those uses or improvements provided or permitted in the Urban Renewal Plan and in the Agreement.

SEC. 603. Copy of Notice of Default to Mortgagee. Whenever the Seller shall deliver any notice or demand to the Redeveloper with respect to any breach or default by the Redeveloper in its obligations or covenants under the Agreement, the Seller shall at the same time forward a copy of such notice or demand to each holder of any mortgage authorized by the Agreement at the last address of such holder shown in the records of the Seller.

SEC. 604. Mortgagee's Option to Cure Defaults. After any breach or default referred to in Section 603 hereof, each such holder shall (insofar as the rights of the Seller are concerned) have the right, at its option, to cure or remedy such breach or default (or such breach or default to the extent that it relates to the part of the Property covered by its mortgage) and to add the cost thereof to the mortgage debt and the lien of its mortgage: Provided, that if the breach or default is with respect to construction of the Improvements, nothing contained in this Section or any other Section of the Agreement shall be deemed to permit or authorize such holder, either before or after foreclosure or action in lieu thereof, to undertake or continue the construction or completion of the Improvements (beyond the extent necessary to conserve or protect Improvements or construction already made) without first having expressly assumed the obligation to the Seller, by written agreement satisfactory to the Seller, to complete, in the manner provided in the Agreement, the Improvements on the Property or the part thereof to which the lien or title to such holder relates. Any such holder who shall properly complete the Improvements relating to the Property or applicable part thereof shall be entitled, upon written request made to the

Seller, to a certification or certifications by the Seller to such effect in the manner provided in Section 307 of the Agreement, and any such certification shall, if so requested by such holder, mean and provide that any remedies or rights with respect to recapture of or reversion or reversioning of title to the Property that the Seller shall have or be entitled to because of failure of the Redeveloper or any successor in interest to the Property, or any part thereof, to cure or remedy any default with respect to the construction of the Improvements on other parts or parcels of the Property, or because of any other default in or breach of the Agreement by the Redeveloper or such successor, shall not apply to the part or parcel of the Property to which such certification relates.

SEC. 605. Seller's Option To Pay Mortgage Debt or Purchase Property. In any case, where subsequent to default or breach by the Redeveloper (or successor in interest) under the Agreement, the holder of any mortgage on the Property or part thereof:

(a) has, but does not exercise the option to construct or complete the Improvements relating to the Property or part thereof covered by its mortgage or to which it has obtained title, and such failure continues for a period of sixty (60) days after the holder has been notified or informed of the default or breach; or

(b) undertakes construction or completion of the Improvements but does not complete such construction within the period as agreed upon by the Seller and such holder (which period shall in any event be at least as long as the period prescribed for such construction or completion in the Agreement), and such default shall not have been cured within sixty (60) days after written demand by the Seller so to do, the Seller shall (and every mortgage instrument made prior to completion of the Improvements with respect to the Property by the Redeveloper or successor in interest shall so provide) have the option of paying to the holder the amount of the mortgage debt and securing an assignment of the mortgage and the debt secured thereby, or, in the event ownership of the Property (or part thereof) has vested in such holder by way of foreclosure or action in lieu thereof, the Seller shall be entitled, at its option, to a conveyance to it of the Property or part thereof (as the case may be) upon payment to such holder of an amount equal to the sum of: (i) the mortgage debt at the time of foreclosure or action in lieu thereof (less all appropriate credits, including those resulting from collection and application of rentals and other income received during foreclosure proceedings); (ii) all expenses with respect to the foreclosure; (iii) the net expense, if any (exclusive of general overhead), incurred by such holder in and as a direct result of the subsequent management of the Property; (iv) the costs of any Improvements made by such holder; and (v) an amount equivalent to the interest that would have accrued on the aggregate of such amounts had all such amounts become part of the mortgage debt and such debt had continued in existence.

SEC. 606. Seller's Option To Cure Mortgage Default. In the event of a default or breach prior to the completion of the Improvements by the Redeveloper, or any successor in interest, in or of any of its obligations under, and to the holder of, any mortgage or other instrument creating an encumbrance or lien upon the Property or part thereof, the Seller may at its option cure such default or breach, in which case the Seller shall be entitled, in addition to and without limitation upon any other rights or remedies to which it shall be entitled by the Agreement, operation of law, or otherwise, to reimbursement from the Redeveloper or successor in interest of all costs and expenses incurred by the Seller in curing such default or breach and to a lien upon the Property (or the part thereof to which the mortgage, encumbrance, or lien relates) for such reimbursement: Provided, that any such lien shall be subject always to the lien of (including any lien contemplated, because of advances yet to be made, by) any then existing mortgages on the Property authorized by the Agreement.

SEC. 607. Mortgage and Holder. For the purposes of the Agreement: The term "mortgage" shall include a deed of trust or other instrument creating an encumbrance or lien upon the Property, or any part thereof, as security for a loan. The term "holder" in reference to a mortgage shall include any insurer or guarantor of any obligation or condition secured by such mortgage or deed of trust.

ARTICLE VII. REMEDIES

SEC. 701. In General. Except as otherwise provided in the Agreement, in the event of any default in or breach of the Agreement, or any of its terms or conditions, by either party hereto, or any successor to such party, such party (or successor) shall, upon written notice from the other, proceed immediately to cure or remedy such default or breach, and, in any event, within sixty (60) days after receipt of such notice. In case such action is not taken or not diligently pursued, or the default or breach shall not be cured or remedied within a reasonable time, the aggrieved party may institute such proceedings as may be provided in Article VII of Part II.

SEC. 702. Termination by Redeveloper Prior to Conveyance. In the event that the Seller does not tender conveyance of the Property, or possession thereof, in the manner and condition and by the date, provided in the Agreement, and any such failure shall not be cured within thirty (30) days after the date of written demand by the Redeveloper, then the Agreement shall, as the Redeveloper's sole option and remedy, be terminated by written notice thereof to the Seller, and except with respect to the return of the Deposit and Earnest Money as provided in Paragraph (d), Section 3 of Part I hereof, neither the Seller nor the Redeveloper shall have any further rights against or liability to the other under the Agreement.

SEC. 703. Termination by Seller Prior to Conveyance. In the event that:

(a) prior to conveyance of the Property to the Redeveloper and in violation of the Agreement:

(i) the Redeveloper (or any successor in interest) assigns or attempts to assign the Agreement or any rights therein, or in the Property, or

(ii) there is any change in the ownership or distribution of the stock of the Redeveloper or with respect to the identity of the parties in control of the Redeveloper or the degree thereof; or

(b) the Redeveloper does not submit Construction Plans, as required by the Agreement, or evidence that it has the necessary equity capital and mortgage financing, in satisfactory form and in the manner and by the dates respectively provided in the Agreement therefor;

(c) the Redeveloper does not pay the Purchase Price and take title to the Property upon tender conveyance by the Seller pursuant to the Agreement; or

(d) the Redeveloper fails to secure sufficient financing to fund the project or to fulfill any additional financial requirements relating to the development of the Property in accordance with its responses to the Request for Proposal or this Agreement

then the Agreement, and any rights of the Redeveloper, or any assignee or transferee, in the Agreement, or arising therefrom with respect to the Seller or the Property, may be: (i) terminated by the Seller, in which event, as provided in Paragraph (c), Section 3 of Part I hereof, the Deposit and Earnest Money shall be retained by the Seller as liquidated damages and as its property without any deduction, offset, or recoupment whatsoever, and neither the Redeveloper (or

assignee or transferee) nor the Seller shall have any further rights against or liability to the other under the Agreement; or (ii) the Seller may pursue specific performance of this Agreement; and/or (iii) the Seller may pursue any other rights or remedies available at law or equity.

SEC. 704. Revesting Title in Seller Upon Happening of Event Subsequent to Conveyance to Redeveloper. In the event that subsequent to conveyance of the Property or any part thereof to the Redeveloper and prior to completion of the Improvements as certified by the Seller:

(a) the Redeveloper (or successor in interest) shall default in or violate its obligations with respect to the construction of the Improvements (including the nature and the dates for the beginning and completion thereof), or shall abandon or substantially suspend construction work, and any such default, violation, abandonment, or suspension shall not be cured, ended or remedied within three (3) months or six (6) months, if the default is with respect to the date for completion of the Improvements) after written demand by the Seller so to do; or

(b) the Redeveloper (or successor in interest) shall fail to pay real estate taxes or assessments on the Property or any part thereof when due, or shall place thereon any encumbrance or lien unauthorized by the Agreement, or shall suffer any levy or attachment to be made, or any materialmen's or mechanic's lien, or any other unauthorized encumbrance or lien to attach and such taxes or assessments shall not have been paid, or encumbrance or lien removed or discharged or provision satisfactory to the Seller made for such payment, removal, or discharge, within ninety (90) days after written demand by the Seller so to do; or

(c) there is, in violation of the Agreement any transfer of the Property or any part thereof, or any change in the ownership or distribution of stock of the Redeveloper, or with respect to the identity of the parties in control of the Redeveloper or the degree thereof, and such violation shall not be cured within sixty (60) days after written demand by the Seller to the Redeveloper then the Seller shall have the right to re-enter and take possession of the Property and to terminate (and re-vest in the Seller) the estate conveyed by the Deed to the Redeveloper, it being the intent of this provision, together with other provisions of the Agreement, that the conveyance of the Property to the Redeveloper shall be made upon and that the Deed shall contain, a condition subsequent to the effect that in the event of any default, failure, violation, or other action or inaction by the Redeveloper specified in subdivisions (a), (b) and (c) of this Section 704, failure on the part of the Redeveloper to remedy, end or abrogate such default, failure, violation or other action or inaction within the period and in the manner stated in such subdivisions, the Seller at its option may declare a termination in favor of the Seller of the title and of all the rights and interests in and to the Property conveyed by the Deed to the Redeveloper and that such title and all rights and interests of the Redeveloper and any assigns or successors in interest to and in the Property, shall revert to the Seller: Provided, that such condition subsequent and any revesting of title as a result thereof in the Seller:

(1) Shall always be subject to and limited by and shall not defeat, render invalid or limit in any way

(i) the lien of any mortgage authorized by the Agreement, and (ii) any rights or interest provided in the Agreement for the protection of the holders of such mortgages; and

(2) Shall not apply to individual parts or parcels of the Property (or, in the case of parts or parcels leased, the leasehold interest on which the Improvements to be constructed thereon have been completed in accordance with the Agreement and for which a certificate of completion is issued therefor as provided in Section 307 hereof.

In addition to and without in any way limiting the Seller's right to re-entry as provided for in the preceding sentence, the Seller shall have the right to retain the Deposit, as provided in Paragraph (d) Section 3 of Part I hereof, without any deduction, offset or recoupment whatsoever, in the event of a default, violation or failure of the Redeveloper as specified in the preceding sentence.

SEC. 705. Resale of Reacquired Property; Disposition of Proceeds. Upon the revesting in the Seller of title to the Property or any part thereof as provided in Section 704, the Seller shall, pursuant to its responsibilities under State law, use its best efforts to resell the Property or part thereof (subject to such mortgage liens and leasehold interests as in Section 704 set forth and provided) as soon and in such manner as the Seller shall find feasible and consistent with the objectives of such law and of the Urban Renewal Plan to a qualified and responsible party or parties (as determined by the Seller) who will assume the obligation of making or completing the Improvements or such other improvements in their stead as shall be satisfactory to the Seller and in accordance with the uses specified for such Property or part thereof in the Urban Renewal Plan. Upon such resale of the Property, the proceeds shall be applied:

(a) First, to reimburse the Seller, on its own behalf and that of the City, for all costs and expenses incurred by the Seller, including but not limited to salaries of personnel, in connection with the recapture, management and resale of the Property or part thereof (but less any income derived by the Seller from the Property or part thereof in connection with such management); all taxes, assessments and water and sewer charges with respect to the Property or part thereof (or, in the event the Property is exempt from taxation or assessment or such charges during the period of ownership thereof by the Seller, an amount, if paid, equal to such taxes, assessments, or charges (as determined by the City assessing official) as would have been payable if the Property were not so exempt); any payments made or necessary to be made to discharge any encumbrances or liens existing on the Property or part thereof at the time of revesting of title thereto in the Seller or to discharge or prevent from attaching or being made any subsequent encumbrances or liens due to obligations, defaults or acts of the Redeveloper, its successors or transferees; any expenditures or liens due to obligations incurred with respect to the making or completion of the Improvements or any part thereof on the Property or part thereof and any amounts otherwise owing the Seller by the Redeveloper and its successor or transferee; and

(b) Second, to reimburse the Redeveloper, its successor or transferee, up to the amount equal to (1) the sum of the purchase price paid by it for the Property (or allocable to the part thereof) and the cash actually invested by it in making any of the Improvements on the Property or part thereof, less (2) any gains or income withdrawn or made by it from the Agreement or the Property.

Any balance remaining after such reimbursements shall be retained by the Seller as its property.

SEC. 706. Other Rights and Remedies of Seller; No Waiver by Delay. The Seller shall have the right to institute such actions or proceedings as it may deem desirable for effectuating the purposes of this Article VII, including also the right to execute and record or file among the public land records in the office in which the Deed is recorded a written declaration of the termination of all the right, title, and interest of the Redeveloper and (except for such individual parts or parcels upon which construction of that part of the Improvements required to be constructed thereon has been completed, in accordance with the Agreement, and for which a certificate of completion as provided in Section 307 hereof is to be delivered and subject to such mortgage liens and leasehold interests as provided in Section 704 hereof) its successors in interest and assigns, in the Property and the revesting of title thereto in the Seller: Provided, that any delay by the Seller in instituting or prosecuting any such actions or proceedings or otherwise asserting its rights under this Article VII shall not operate as a waiver of such rights or to deprive it or limit such rights in any way (it being the intent of this provision that the Seller should not be constrained (so as to avoid the risk of waiver, laches or otherwise) to exercise such remedy at a time when it may still hope otherwise to resolve the problems created by the default involved); nor shall any waiver in fact made by the Seller with respect to any specific default by the Redeveloper under this Section be considered or treated as a

waiver of the rights of the Seller with respect to any other defaults by the Redeveloper under this Section or with respect to the particular default except to the extent specifically waived in writing.

SEC. 707. Enforced Delay in Performance for Causes Beyond Control of Party. For the purposes of any of the provisions of the Agreement, neither the City, Seller nor the Redeveloper, as the case may be, nor any successor in interest, shall be considered in breach of, or default in, its obligations with respect to the preparation of the Property for redevelopment, or the beginning and completion of construction of the Improvements, or progress in respect thereto, in the event of enforced delay in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not restricted to, acts of God, acts of the public enemy, acts of the federal government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather or delays of subcontractors due to such causes; it being the purpose and intent of this provision that in the event of the occurrence of any such enforced delay, the time or times for performance of the obligations of the Seller with respect to the preparation of the Property for redevelopment or of the Redeveloper with respect to construction of the Improvements, as the case may be, shall be extended for the period of the enforced delay as determined by the Agency: Provided, that the party seeking the benefit of the provisions of this Section shall, within ten (10) days after the beginning of any such enforced delay have first notified the other party thereof in writing and of the cause or causes thereof and requested an extension for the period of the enforced delay.

SEC. 708. Rights and Remedies Cumulative. The rights and remedies of the parties to the Agreement whether provided by the Agreement, shall be cumulative and the exercise by either party of any one or more of such remedies shall not preclude the exercise by it, at the same or different times, of any other such remedies for the same default or breach or of any of its remedies for any other default or breach by the other party. No waiver made by either party with respect to the performance or manner or time thereof, or any obligation of the other party or any condition to its own obligation under the Agreement shall be considered a waiver of any rights of the party making the waiver with respect to the particular obligation of the other party or condition to its own obligation beyond those expressly waived in writing and to the extent thereof, or a waiver in any respect in regard to any other rights of the party making the waiver or any other obligations of the other party.

SEC. 709. Party in Position of Surety With Respect to Obligations. The Redeveloper, for itself and its successors and assigns and for all other persons who are or who shall become, whether by express or implied assumption or otherwise, liable upon or subject to any obligation or burden under the Agreement, hereby waives, to the fullest extent permitted by law and equity, any and all claims or defenses otherwise available on the ground of its (or their) being or having become a person in the position of a surety, whether real, personal or otherwise or whether by agreement or operation of law, including, without limitation on the generality of the foregoing, any and all claims and defenses based upon extension of time, indulgence, or modification of terms or contract.

ARTICLE VIII. MISCELLANEOUS

801. Condition of Property.

(a) Disclaimer. Except as expressly stated herein, Seller hereby specifically disclaims any warranty, guaranty, or representation; oral or written; past, present or future, of, as to, or concerning (i) the nature and condition of the Property, including but not by way of limitation, the water, soil, geology and the suitability thereof, for any and all activities and uses which Buyer may elect to conduct thereon, income to be derived therefrom or expenses to be incurred with respect thereto, or any obligations or any other matter or thing relating to or affecting the same; (ii) the manner of construction and condition and state of repair or lack of repair of any improvements located thereon; (iii) the nature and extent of any easement, right-of-way, lease, possession, lien, encumbrance, license, reservation, condition or otherwise; and (iv) the compliance of the Property or the operation of the Property with any laws, rules, ordinances, or regulations of any government or other body. EXCEPT AS EXPRESSLY STATED HEREIN, IN CONNECTION WITH THE CONVEYANCE OF THE PROPERTY AS PROVIDED FOR HEREIN, SELLER HAS NOT MADE AND DOES NOT MAKE, ANY REPRESENTATIONS,

WARRANTIES OR COVENANTS OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, WITH RESPECT TO THE QUALITY OR CONDITION OF THE PROPERTY, THE SUITABILITY OF THE PROPERTY FOR ANY AND ALL ACTIVITIES AND USES WHICH BUYER MAY CONDUCT THEREON, COMPLIANCE BY THE PROPERTY WITH ANY LAWS, RULES, ORDINANCES OR REGULATIONS OF ANY APPLICABLE GOVERNMENTAL AUTHORITY OR HABITABILITY, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND SPECIFICALLY, SELLER DOES NOT MAKE ANY REPRESENTATIONS REGARDING HAZARDOUS WASTE, AS DEFINED BY THE LAWS OF THE STATE OF TEXAS AND ANY REGULATIONS ADOPTED PURSUANT THERETO OR THE U. S. ENVIRONMENTAL PROTECTION AGENCY REGULATIONS AT 40 C.F.R., PART 261, OR THE DISPOSAL OF ANY HAZARDOUS WASTE OR ANY OTHER HAZARDOUS OR TOXIC SUBSTANCES IN OR ON THE PROPERTY. Buyer agrees to accept the Property at closing with the Property being in its present AS IS condition WITH ALL FAULTS.

(b) Property Condition. BUYER ACKNOWLEDGES AND AGREES THAT EITHER BUYER IS, OR HAS ENGAGED AND IS RELYING ON PERSONS WHO ARE, EXPERIENCED IN THE OWNERSHIP, DEVELOPMENT AND/OR OPERATION OF PROPERTIES SIMILAR TO THE PROPERTY AND THAT BUYER PRIOR TO THE CLOSING WILL HAVE INSPECTED THE PROPERTY OR CAUSED THE PROPERTY TO BE INSPECTED TO ITS SATISFACTION AND IS QUALIFIED TO MAKE SUCH INSPECTION. BUYER ACKNOWLEDGES THAT IT IS FULLY RELYING ON BUYER'S (OR BUYER'S REPRESENTATIVES') INSPECTIONS OF THE PROPERTY AND EXCEPT FOR THE SELLER'S REPRESENTATIONS AND WARRANTIES CONTAINED HEREIN, NOT UPON ANY STATEMENT (ORAL OR WRITTEN) WHICH MAY HAVE BEEN MADE OR MAY BE MADE (OR PURPORTEDLY MADE) BY SELLER OR ANY OF ITS REPRESENTATIVES. BUYER ACKNOWLEDGES THAT BUYER HAS (OR BUYER'S REPRESENTATIVES HAVE), OR PRIOR TO THE CLOSING WILL HAVE, THOROUGHLY INSPECTED AND EXAMINED THE PROPERTY TO THE EXTENT DEEMED NECESSARY BY BUYER IN ORDER TO ENABLE BUYER TO EVALUATE THE CONDITION OF THE PROPERTY AND ALL OTHER ASPECTS OF THE PROPERTY (INCLUDING, BUT NOT LIMITED TO, THE ENVIRONMENTAL CONDITION OF THE PROPERTY); AND BUYER ACKNOWLEDGES THAT BUYER IS RELYING SOLELY UPON ITS OWN (OR ITS REPRESENTATIVES') INSPECTION, EXAMINATION AND EVALUATION OF THE PROPERTY. BUYER HEREBY EXPRESSLY ASSUMES ALL RISKS, LIABILITIES, CLAIMS, DAMAGES AND COSTS (AND AGREES THAT SELLER SHALL NOT BE LIABLE FOR ANY SPECIAL, DIRECT, INDIRECT, CONSEQUENTIAL OR OTHER DAMAGES) RESULTING OR ARISING FROM OR RELATED TO THE OWNERSHIP, USE, CONDITION, LOCATION, MAINTENANCE, REPAIR OR OPERATION OF THE PROPERTY ATTRIBUTABLE TO THE PERIOD FROM AND AFTER THE DATE OF CLOSING. BUYER EXPRESSLY WAIVES (TO THE EXTENT ALLOWED BY APPLICABLE LAW) ANY CLAIMS UNDER FEDERAL, STATE OR OTHER LAW THAT BUYER MIGHT OTHERWISE HAVE AGAINST SELLER RELATING TO THE USE, CHARACTERISTICS OR CONDITION OF THE PROPERTY EXCEPT AS OTHERWISE SPECIFICALLY PROVIDED BY THIS AGREEMENT. ANY REPAIRS PAID FOR BY SELLER PURSUANT TO THIS AGREEMENT, IF ANY, SHALL BE DONE WITHOUT ANY WARRANTY OR REPRESENTATION BY SELLER, AND SELLER HEREBY EXPRESSLY DISCLAIMS ANY WARRANTY OR REPRESENTATION OF ANY KIND WHATSOEVER IN CONNECTION WITH SUCH REPAIRS. THE PROVISIONS OF THIS SECTION 17 SHALL BE INCLUDED IN THE DEED WITHOUT WARRANTY TO BE DELIVERED BY SELLER TO BUYER AT CLOSING.

SEC. 802. Conflicts of Interests; Seller Representatives Not Individually Liable. No member, official, or employee of the Seller or the City shall have any personal interest, direct or indirect, in the Agreement, nor shall any such member, official or employee participate in any decision relating to the Agreement which affects his personal interests or the interests of any corporation, partnership, or association in which he is, directly or indirectly, interested. No member, official, or employee of the Seller or City shall be personally liable to the Redeveloper, or any successor in interest, in the event of any default or breach by the Seller or City or for any amount which may become due to the Redeveloper or successor or on any obligations under the terms of the Agreement.

SEC. 803. Equal Employment Opportunity. The Redeveloper, for itself and its successors and assigns, agrees that during the construction of the Improvements provided for in the Agreement:

(a) The Redeveloper will not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. The Redeveloper will take affirmative action to insure that applicants are employed and that employees are treated during employment, without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Redeveloper agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Seller setting forth the provisions of this nondiscrimination clause.

(b) The Redeveloper will, in all solicitations or advertisements for employees placed by or on behalf of the Redeveloper, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.

SEC. 804. SBEDA. The Redeveloper agrees to comply with the Small Business Economic Development Utilization Plan as determined by the City for the Project, as more particularly described in the City's Ordinance No. 2016-05-19-0367 as may be amended from time to time.

SEC. 805. Insurance Requirements. Redeveloper agrees to comply with the following insurance provisions:

(A) Prior to the commencement of any work under this AGREEMENT, Redeveloper shall furnish copies of all required endorsements and a completed Certificate(s) of Insurance to the Seller. The Certificate(s) shall be completed by an agent and signed by a person authorized by that insurer to bind coverage on its behalf. Seller will not accept a Memorandum of Insurance or Binders as proof of insurance. The certificate(s) must be signed by the authorized representative of the carrier, and list the agent's signature and phone number. The certificate shall be mailed, with copies of all applicable endorsements, directly from the insurer's authorized representative to the City. 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. No officer or employee, other than City's Risk Manager, shall have authority to waive this requirement.

(B) Seller reserves the right to review the insurance requirements of this Section during the effective period of this Agreement and any extension hereof and to modify insurance coverages and their limits when deemed necessary and prudent by 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 whereby City may incur increased risk.

(C) Redeveloper's financial integrity is of interest to the City; therefore, subject to Redeveloper's right to maintain reasonable deductibles in such amounts as are approved by the City, Redeveloper shall obtain and maintain in full force and effect for the duration of this Agreement, and any extension hereof, at Redeveloper's sole expense, insurance coverage written on an occurrence basis, unless otherwise indicated, by companies authorized to do business in the State of Texas and with an A.M. Best's rating of no less than A-(VII), in the following types and for an amount not less than the amount listed amount listed below:

TYPE	AMOUNTS
1. Workers' Compensation	Statutory
2. Employers' Liability	\$1,000,000/\$1,000,000/\$1,000,000
3. Commercial General Liability, to include coverage for the following:	For Bodily Injury and Property Damage of
a. Premises/Operations	\$1,000,000 per occurrence;
b. Products/Completed Operations	\$2,000,000 General Aggregate, or its equivalent

c. Personal/Advertising Injury	in Umbrella or Excess Liability Coverage
4. Business Automobile Liability	Combined Single Limit for Bodily Injury
a. Owned/leased vehicles	and Property Damage of \$1,000,000
b. Non-owned vehicles	per occurrence
c. Hired Vehicles	
5. Builder's Risk	All Risk Policy written on an occurrence
	basis for 100% replacement cost
	during construction phase of any new
	or existing structure

(D) Redeveloper agrees to require, by written contract, that all subcontractors providing goods or services hereunder obtain the same categories of insurance coverage required of Redeveloper herein, and provide a certificate of insurance and endorsement that names Redeveloper and City as additional insureds. Policy limits of the coverages carried by subcontractors will be determined as a business decision of Redeveloper. Redeveloper shall provide City with said certificate and endorsement prior to the commencement of any work by the subcontractor. This provision may be modified by City's Risk Manager, without subsequent City Council approval, when deemed necessary and prudent, based upon changes in statutory law, court decisions, or circumstances surrounding this Agreement. Such modification may be enacted by letter signed by City's Risk Manager, which shall become a part of the contract for all purposes.

(E) As they apply to the limits required by City, City shall be entitled, upon request and without expense, to receive copies of the policies, declaration page, and all required endorsements. Redeveloper shall pay any costs incurred resulting from provision of said documents. Redeveloper shall be required to comply with any such requests and shall submit requested documents to City at the address provided below within ten (10) days:

City of San Antonio

Attn: Neighborhood Improvements Bond Program

1400 S. Flores

San Antonio, Texas 78204

(F) Redeveloper agrees that with respect to the above-required insurance, all insurance policies are to contain or be endorsed to contain the following required provisions:

(i) Name City and its officers, officials, employees, volunteers, and elected representatives as additional insureds by endorsement, with respect to operations and activities of, or on behalf of, the named insured performed under contract with City, with the exception of the workers' compensation and professional liability policies;

(ii) Provide for an endorsement that the "other insurance" clause shall not apply to City where City is an additional insured shown on the policy;

(iii) Workers' compensation and employers' liability, general liability and automotive liability policies will provide a waiver of subrogation in favor of City; and

(iv) Provide advance written notice directly to City of any suspension, or non-renewal in coverage, and not less than ten (10) days advance notice for nonpayment of premium.

(G) Within five (5) days of a suspension, cancellation, or non-renewal of coverage, Redeveloper shall provide a replacement Certificate of Insurance and applicable endorsements to City. City shall have the option to suspend Redeveloper'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 material breach of this Agreement.

(H) In addition to any other remedies City may have upon Redeveloper's failure to provide and maintain any insurance or policy endorsements to the extent and within the time herein required, City shall have the right to order Redeveloper to stop work hereunder, and/or withhold any payment(s) which become due to Redeveloper hereunder until Redeveloper demonstrates compliance with the requirements hereof.

(I) Nothing herein contained shall be construed as limiting in any way the extent to which Redeveloper may be held responsible for payments of damages to persons or property resulting from Redeveloper's or its subcontractors' performance of the work covered under this Agreement.

(J) Redeveloper understands and agrees that its insurance shall be deemed primary and non-contributory with respect to any insurance or self-insurance carried by City for liability arising out of the activities under this Agreement.

(K) Redeveloper understands and agrees that the insurance required is in addition to and separate from any other obligation contained in this Agreement and that no claim or action by or on behalf of City shall be limited to insurance coverage provided.

(L) Redeveloper and any subcontractors are responsible for all damage to their own equipment and/or property.

(M) In addition to the insurance requirements set forth in this section, Redeveloper shall also provide a performance guaranty in accordance with the requirements of the Request for Proposal within five (5) days from the date of Closing and in the amount of the total Project Cost determined by the final pro forma and underwriting sign-off.

SEC. 806. Modifications to Agreement. In the event the Redeveloper requests any change in or modification to the Agreement, the effect of which will change the scope of the development of the Property; impact Redeveloper's ability to timely complete the Project; or cause the Redeveloper to be unable to complete the Project or any portion thereof, Redeveloper shall submit to the Seller an irrevocable letter of credit, issued by a bank or lending institution wherein the Seller is the beneficiary or a surety bond in form and substance satisfactory to the Seller, in which the Seller is the obligee, issued by a surety company regularly engaged in the issuance of such undertakings and on the list of surety companies approved by the United States Treasury, in an amount not to exceed ten percent (10%) of the total cost of the construction proposed by bidder as guarantee that said construction will be completed within the time specified in the Warranty Deed conveying title to the property. Said irrevocable letter of credit or surety bond shall be submitted to the Seller by Redeveloper on such date as the Seller specifies in writing.

SEC. 807. Provisions Not Merged With Deed. None of the provisions of the Agreement are intended to or shall be merged by reason of any deed transferring title to the Property from the Seller to the Redeveloper or any successor in interest and any such deed shall not be deemed to affect or impair the provisions of the Agreement.

SEC. 808. Titles of Articles and Sections. Any titles of the several parts, Articles and Sections of the Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.

ARTICLE IX. INDEMNIFICATION

Sec. 901. Indemnification. REDEVELOPER covenants and agrees to FULLY INDEMNIFY, DEFEND and HOLD HARMLESS, the CITY and the elected officials, employees, officers, directors, volunteers and representatives of the CITY, individually and 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 CITY directly or indirectly arising out of, resulting from or related to REDEVELOPER'S activities under this Agreement, including any acts or omissions of REDEVELOPER, any agent, officer, director, representative, employee, consultant or subcontractor of REDEVELOPER, and their respective officers, agents employees, directors and representatives while in the exercise of the rights or performance of the duties under this Agreement. The indemnity provided for in this paragraph shall not apply to any liability resulting from the negligence of CITY, its officers or employees, in instances where such negligence causes personal injury, death, or property damage. IN THE EVENT REDEVELOPER AND CITY ARE FOUND JOINTLY LIABLE BY A COURT OF COMPETENT JURISDICTION, LIABILITY SHALL BE APPORTIONED COMPARATIVELY IN ACCORDANCE WITH THE LAWS FOR 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 LAW.

Sec. 901.2. Intellectual Property. Redeveloper to abide by the following regarding intellectual property rights:

SEC. 901.2.1. Redeveloper shall pay all royalties and licensing fees. Redeveloper shall hold the City harmless and indemnify the City from the payment of any royalties, damages, losses or expenses including attorney's fees for suits, claims or otherwise, growing out of infringement or alleged infringement of copyrights, patents, materials and methods used in the project. It shall defend all suits for infringement of any Intellectual Property rights. Further, if Redeveloper has reason to believe that the design, service, process or product specified is an infringement of an Intellectual Property right, it shall promptly give such information to the City.

SEC. 901.2.2. Upon receipt of notification that a third party claims that the program(s), hardware or both the program(s) and the hardware infringe upon any United States patent or copyright, Redeveloper will immediately:

1. Either:
 - a. obtain, at Redeveloper's sole expense, the necessary license(s) or rights that would allow the City to continue using the programs, hardware, or both the programs and hardware, as the case may be, or
 - b. alter the programs, hardware, or both the programs and hardware so that the alleged infringement is eliminated; and
2. reimburse the City for any expenses incurred by the City to implement emergency backup measures if the City is prevented from using the programs, hardware, or both the programs and hardware while the dispute is pending.

SEC. 901.2.3. Redeveloper further agrees to: (a) assume the defense of any claim, suit, or proceeding brought against the City for infringement of any United States patent or copyright arising from the use and/or sale of the equipment or software under this Agreement (b) assume the expense of such defense, including costs of investigations, reasonable attorneys' fees, expert witness fees, damages, and any other litigation-related expenses; and (c) indemnify the City against any monetary damages and/or costs awarded in such suit, provided that (a) Redeveloper is given sole and exclusive control of all negotiations relative to the settlement thereof, but that Redeveloper agrees to consult with the City Attorney of the City during such defense or negotiations and make a good faith effort to avoid any position adverse to the interest of the City; (b) the Software or the equipment is used

by the City in the form, state, or condition as delivered by Redeveloper or as modified without the permission of Redeveloper, so long as such modification is not the source of the infringement claim; and (c) the liability claimed shall not have arisen out of the City's negligent act or omission, and the City promptly provides Redeveloper with written notice within 15 days following the formal assertion of any claim with respect to which the City asserts that Redeveloper assumes responsibility under this section.

SEC. 901.3. Ownership and Licenses. In accordance with Texas law, Redeveloper acknowledges and agrees that all local government records created or received in the transaction of official business or the creation or maintenance of which were paid for with public funds are declared to be public property and subject to the provisions of Chapter 201 of the Texas Local Government Code and Subchapter J, Chapter 441 of the Texas Government Code. Thus, no such local government records produced by or on the behalf of Redeveloper pursuant to this Contract shall be the subject of any copyright or proprietary claim by Redeveloper.

SEC. 901.4. The term "local government record" as used herein shall mean any document, paper, letter, book, map, photograph, sound or video recording, microfilm, magnetic tape, electronic medium, or other information recording medium, regardless of physical form or characteristic and regardless of whether public access to it is open or restricted under the laws of the state, created or received by local government or any of its officials or employees pursuant to law including an ordinance, or in the transaction of official business.

SEC. 901.5. Redeveloper acknowledges and agrees that all local government records, as described in herein, produced in the course of the work required by this Agreement will belong to and be the property of City. Redeveloper will be required to turn over to City all such records and shall not, under any circumstances, release any records created during the course of performance of the contract to any entity without City's written permission, unless required to do so by a Court of competent jurisdiction.

SEC. 901.6. In accordance herewith, Redeveloper, agrees to comply with all applicable federal, state and local laws, rules and regulations governing documents and ownership, access and retention thereof.

SEC. 901.7. The provisions of this INDEMNITY 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. REDEVELOPER shall advise the CITY in writing within 24 hours of any claim or demand against the CITY or REDEVELOPER known to REDEVELOPER related to or arising out of REDEVELOPER's activities under this AGREEMENT and shall see to the investigation and defense of such claim or demand at REDEVELOPER's cost. The CITY shall have the right, at its option and at its own expense, to participate in such defense without relieving REDEVELOPER of any of its obligations under this paragraph.

SEC. 901.8. Defense Counsel. City shall have the right to select or to approve defense counsel to be retained by REDEVELOPER in fulfilling its obligation hereunder to defend and indemnify City, unless such right is expressly waived by City in writing. REDEVELOPER shall retain City approved defense counsel within seven (7) business days of City's written notice that City is invoking its right to indemnification under this Agreement. If REDEVELOPER fails to retain Counsel within such time period, City shall have the right to retain defense counsel on its own behalf, and REDEVELOPER shall be liable for all costs incurred by City. City shall also have the right, at its option, to be represented by advisory counsel of its own selection and at its own expense, without waiving the foregoing.

SEC. 901.9. Employee Litigation. In any and all claims against any party indemnified hereunder by any employee of CONSULTANT, any subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, the indemnification obligation herein provided shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for CONSULTANT or any subcontractor under worker's compensation or other employee benefit acts.

The Agreement may be executed in multiple counterparts, which shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Seller has caused the Agreement to be duly executed in name and behalf of any authorized representative and its seal to be hereunder duly affixed and the Redeveloper has caused the Agreement to be duly executed as of the 17th day of January, 2019.

CITY OF SAN ANTONIO, TEXAS,
acting by and through the
URBAN RENEWAL AGENCY OF THE
CITY OF SAN ANTONIO d/b/a
OFFICE OF URBAN REDEVELOPMENT SAN ANTONIO

Title: _____

FRANKLIN DEVELOPMENT PROPERTIES, LTD.



Title: President

(AGENCY ACKNOWLEDGEMENT)

STATE OF TEXAS }

COUNTY OF BEXAR }

BEFORE ME, the undersigned authority, on the day personally appeared _____, EXECUTIVE DIRECTOR of the Urban Renewal Agency of the City of San Antonio d/b/a Office of Urban Redevelopment San Antonio, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that he/she executed the same for the purposes and consideration therein expressed and in the capacity therein stated and as the act and deed of the Urban Renewal Agency of the City of San Antonio.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS _____ day of _____, 20____.

Notary Public in and for the State of Texas

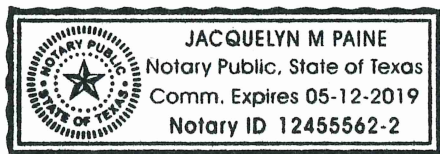
(REDEVELOPER ACKNOWLEDGMENT)

STATE OF TEXAS }

COUNTY OF BEXAR }

BEFORE ME, the undersigned, a Notary Public in and for the State of Texas on this day personally appeared known to me to be the person and officer whose name is subscribed to the foregoing instrument as Aubra Franklin of and acknowledged to me that he (or she) executed the same for the purposes and consideration therein expressed, and as the act and deed of said Franklin Development Properties, Ltd.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS 4 day of January, 2019.



Jacquelyn M. Paine