

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

CONDITIONAL GRANT AGREEMENT

This **CONDITIONAL GRANT AGREEMENT** (“Agreement”) is entered into by and between the City of Dallas, a Texas municipal corporation, of Dallas County, Texas (hereafter “City”), acting by and through its duly authorized officers, and SDC Compton Housing, LP (“Developer”), a Texas limited partnership, with its principal place of business at 3030 LBJ Freeway #1350, Dallas, TX 75234, acting by and through its authorized officers. City and Developer may be referred to individually as a “Party” and jointly as “the Parties”.

WITNESSETH:

WHEREAS, in November of 2012, the residents of the City of Dallas approved Proposition 3, authorizing the issuance of general obligation bonds for economic development and housing (the “Bond Funds”);

WHEREAS, Developer requested Bond Funds from the City to assist in the development of 49 townhomes in the Fiji-Compton area;

WHEREAS, City staff determined that the project serves the public interest for which the Bond Funds were approved, and recommended Bond Funds be awarded to Developer; and

WHEREAS, pursuant to Resolution Nos. 15-1200, 15-1544, and 15-2137 approved on June 17, August 26, and November 10, 2015, respectively, the City Council agreed to negotiate and enter into this Agreement between City and Developer.

NOW THEREFORE, the City and Developer do mutually agree as follows:

1. DEFINITIONS. In addition to terms defined in the body of this Agreement, the following terms shall have the definitions indicated below:

AMI means the median income for the Dallas area Standard Metropolitan Statistical Area, adjusted for household size, as determined by the Department of Housing and Urban Development. The current median income chart is attached as **Exhibit F**.

Commence or Commencement shall mean the commencement of construction, and shall be evidenced by Developer securing building permits for all Units and securing all funds necessary to construct the Improvements, as evidenced by bank commitment letters for loans equal to the difference in the Project Budget and the Funds.

Commencement Date means December 31, 2015.

Complete or Completion shall mean (i) the completion of the Improvements, as evidenced by final inspection approval from City, and (ii) sale of all Units.

Completion Deadline means March 31, 2017.

Deed of Trust means a valid second lien deed of trust securing Developer's performance of this Agreement and any other document reasonably requested by City in connection with this Grant. City agrees to subordinate the debt secured by its Deed of Trust to a lender providing construction financing for the Project. A partial release of the Deed of Trust will be filed as each Unit is sold.

Funds means up to \$1,225,000.00 in Bond Funds awarded to Developer by City pursuant to the City's 2012 municipal bond program and the terms of this Agreement, with \$25,000.00 allocated to gap construction financing for each Unit that is sold to a Qualified Buyer. The Funds must be spent in accordance with the Funds Budget.

Funds Budget means the budget attached hereto as **Exhibit B**, outlining how Developer may spend the Funds.

Grant means the conditional grant of Funds by City to Developer on terms consistent with the Bond Fund requirements and with the terms of this Agreement. Repayment of the Grant will only be required if Developer does not comply with the terms of this Agreement or the Deed of Trust.

Improvements means the 49 Units.

Insurance Policies means the insurance requirements and indemnity provisions specified in **Exhibit G** and all other insurance as City may reasonably require.

All Insurance Policies shall be issued on forms and by companies satisfactory to and shall be delivered to City at the following addresses: (a) The City of Dallas, Attn: Cynthia Rogers-Ellickson, Development Manager, Housing Department, 1500 Marilla, 6DN, Dallas, Texas 75201 and (b) The City of Dallas, Assistant Director, Risk Management Division, Human Resources Department, 1500 Marilla 6AN, Dallas, Texas 75201.

Land Bank Unit means each of the 11 Units that shall be sold in conformance with Chapter 379C of the Texas Local Government Code, the City of Dallas Urban Land Bank Demonstration Program Plan, and all deeds and recorded restrictions filed against the Property by the Dallas Housing Acquisition and Development Corporation.

Plans and Specifications means the final working Plans and Specifications for the development and construction of the Improvements on the Property approved by City as required herein, an original copy of the architectural floor plans and construction specifications for each Unit, a rendering of the external façades of each Unit, a copy of all materials specifications, and a copy of the construction cost schedule. Plans and Specifications also include all amendments and modifications thereof approved in writing

by City. Developer shall make all necessary modifications to the Plans and Specifications to ensure compliance with all federal, state, and City of Dallas requirements.

Project means the construction of the Improvements by Developer, and includes the Improvements, other improvements, amenities, and landscaping which are affixed or may hereinafter become affixed to the Property.

Project Budget means a budget or cost itemization prepared by Developer and approved by City specifying the cost by item of (a) all labor, materials, and services necessary for the development and construction of the Improvements in accordance with the Plans and Specifications and all governmental requirements, and (b) all other expenses anticipated by Developer incident to the Grant, the Property, and the development and construction of the Improvements on the Property. The Project Budget is attached as **Exhibit C**.

Property means the parcels listed on **Exhibit A** attached hereto.

Qualified Buyer means a household or individual with income at or below 140% of AMI.

Reimbursement means a disbursement by City of any Funds.

Unit means each of the 49 townhomes to be constructed as part of the Improvements.

2. **TERM AND EXTENSION.** The term of this Agreement begins on the date of execution by the Parties and terminates upon Developer's sale of all Units, unless terminated earlier as provided in this Agreement.

3. **CITY OBLIGATIONS.** City shall provide the Grant under the terms and conditions herein. The City's obligations under this Agreement and with respect to the Grant are strictly contingent and conditioned on Developer's strict compliance with the terms, conditions, and provisions of this Agreement and the Deed of Trust. Default by Developer shall relieve the City of any obligations to advance remaining unfunded amounts under the Grant.

4. **DEVELOPER OBLIGATIONS.** As a condition to this Agreement and the Grant contemplated herein and in consideration thereof, Developer covenants and agrees as follows:

4.1 **Improvements.** In accordance with the terms and conditions of this Agreement, Developer shall Commence the Improvements by the Commencement Date and Complete the Improvements by the Completion Deadline.

4.2 **Security for City's Interest.** To secure City's interest in the event that Developer is unable for any reason to fully meet its obligations under this Agreement, Developer shall execute and record the Deed of Trust in the real property records of Dallas County. No Funds will be paid or reimbursed to Developer until the Deed of Trust is recorded. **Prior to the initial recordation of the Deed of Trust, Developer shall ensure that no work of any kind**

(including the destruction or removal of any existing improvements, site work, clearing, grubbing, draining, or fencing of the Property) shall have commenced or shall have been performed, no equipment or material shall have been delivered to or upon the Property for any purpose whatsoever, and no mechanic's lien or contract (or memorandum or affidavit thereof) for the supplying of labor, materials, or services for the construction of the Improvements shall have been recorded in the county or counties where the Property is located.

4.3 **Survey.** Before beginning construction of the Improvements, Developer shall provide to the director of the City of Dallas Housing Department ("Director") the certified survey of the Property.

4.4 **Other Agreements.** City may request, and in such event, Developer shall provide to City complete, true, and correct executed copies of any construction contracts, loan commitments, or other agreements applicable to the Project or the Property. Developer shall perform all of its obligations under such agreements. Developer indemnifies and holds City harmless against and from any loss, cost, liability, or expense (including, but not limited to, attorney's fees and expenses) resulting from any failure of Developer to so perform.

4.5 **Plans and Specifications.** Before beginning construction of the Improvements and prior to expenditure of any Funds, Developer will submit to City a complete set of Plans and Specifications.

Developer will not, without the prior written consent of City, amend, alter or change, pursuant to change order, amendment, or otherwise, the Plans and Specifications. The Improvements will be constructed in accordance with the Plans and Specifications.

City has no liability or obligation whatsoever in connection with the Plans and Specifications and no responsibility for the adequacy thereof or for the construction of the Improvements contemplated by the Plans and Specifications. City shall have no liability or obligation to Developer arising out of any inspection of the Improvements. No such inspection nor any failure by City to make objections after any such inspection shall constitute a representation by City that the Improvements are in accordance with the Plans and Specifications or constitute a waiver of City's right thereafter to insist that the Improvements be constructed in accordance with the Plans and Specifications. Developer, will, upon demand of City and at Developer's sole expense, correct any structural defect in the Improvements or any variance from the Plans and Specifications not approved in writing by City.

4.6 **Insurance Policies.** Developer shall furnish to City, not later than 10 days after Developer has signed the Agreement, certificates of insurance as proof that it has secured and paid for the Insurance Policies. Such insurance shall cover all insurable risks incident to or in connection with the execution, performance, attempted performance or nonperformance of this Agreement. All insurance must remain in effect until the termination of this Agreement. City shall have no duty to Reimburse Funds or otherwise perform under this Agreement until the certificates of insurance described below have been delivered to the Director at the address listed in Section 14 herein.

Developer will maintain or cause to be maintained the Insurance Policies and any other insurance reasonably required by the City and the Deed of Trust in full force and effect and do all acts and things, at Developer's expense, as may be necessary or appropriate, in the judgment of the City, to enable the City to receive all insurance proceeds up to the amount of the Grant then outstanding during the term of this Agreement. All-risk Insurance Policies shall have loss made payable to the City as mortgagee (and to the City as loss payee named co-insured) together with a standard mortgagee clause. Commercial General Liability, Comprehensive Automobile Liability and Workers' Compensation coverage shall have a provision giving the City thirty (30) days prior notice of cancellation or change of the coverage.

4.7 **Statutory Requirements.** Developer shall develop and maintain the Project and the Property in conformity with applicable Dallas City Code and any and all other applicable federal, state and local laws, statutes, codes, and regulatory requirements.

4.8. **Compliance with Grant Documents.** Developer will comply with all terms, provisions, and conditions of this Agreement, the Deed of Trust, and any other instruments securing, documenting, or related to this Grant.

4.9 **Grant Expenses.** Developer will pay all closing fees, title company fees, title insurance premiums, filing fees, document preparation costs, attorney's fees, administrative, origination and servicing costs, and all other costs and expenses incurred in connection with the preparation, execution, delivery, and performance of this Agreement and the Deed of Trust.

4.10 **Minority and Women Business Enterprise Commitment.** Developer agrees to abide by City's M/WBE Good Faith Effort Policy, attached as **Exhibit E**, with a goal of 20% M/WBE participating for all construction work on the Project.

5. **GRANT TERMS AND CONDITIONS.**

5.1 **Conditional Grant.** Consistent with any requirements of the Bond Funds, and in consideration for Developer's investment in the Project and obligations and performance under this Agreement and the Deed of Trust, Developer is hereby awarded a conditional Grant to provide funding for the Project as herein provided. The City's obligations under this Agreement and with respect to the Grant are strictly contingent and conditioned on Developer's strict compliance with the terms, conditions, and provisions of the Deed of Trust. Default by Developer shall relieve the City of any obligations to advance remaining unfunded amounts under this Grant.

5.2 **Reimbursement.** Subject to the conditions hereof and the Deed of Trust, the City will make Reimbursements to Developer up to the total Grant amount for items reflected in the Funds Budget. The total amount Reimbursed in connection with any one Unit shall not exceed \$25,000.00, and shall be paid on the earlier of the following:

- (a) the closing date of a Unit's sale to a Qualified Buyer;
- (b) upon Developer's submission to Director of income verification of a Qualified Buyer,

- the Qualified Buyer's mortgage prequalification, and a designation of which Unit the Qualified Buyer intends to purchase; or
- (c) upon Developer's written notice to Director that a Unit is to be designated a Land Bank Unit.

If City makes a Reimbursement in connection with (b) above, and the Qualified Buyer does not purchase the Unit, then at the sole discretion of Director the Developer may either keep the funds and credit them toward another Unit purchased by a Qualified Buyer, or return the Funds to City within 15 days of Director's written request.

City shall make no Reimbursements in connection to Units sold to households other than Qualified Buyers.

As a condition precedent to any Reimbursement, Developer must satisfy the following requirements and, if required by the City, deliver to the City evidence of such satisfaction: (i) All conditions precedent to the Reimbursement shall have been satisfied; (ii) there shall then exist no Default hereunder or under the Deed of Trust; (iii) the representations and warranties made in this Agreement and the Deed of Trust shall be true and correct on and as of the date of each Reimbursement, with the same effect as if made on that date; and (iv) Developer will procure and deliver to the City releases or waivers of mechanics' liens and receipted bills showing payment of all parties who have furnished material or services or performed labor of any kind in connection with the construction of any of the Project for which Funds are being requested.

Each Reimbursement shall be preceded by final inspection and written acceptance of the work by Developer and City, correction by Developer of any defective work or work not in conformance with the Plans and Specifications, as determined by City, receipt of special warranties, releases of liens, and receipt of affidavits of all bills paid (including an affidavit, which in the judgment of City, meets the requirements of §53.085 of the Texas Property Code). The payment of Funds for each Unit will not be made until City has received the following, all at the sole expense of Developer: (i) evidence that all governmental requirements have been satisfied, (ii) evidence that no mechanic's or materialman's lien or other encumbrance has been filed and remains in effect against the Property, and (iii) lien releases or waivers by contractor(s), and all subcontractors, materialmen, and other parties who have supplied labor, materials, or services for the construction of the Improvements, or who otherwise might be entitled to claim a contractual, statutory, or constitutional lien against the Property by reason of same.

6. **OFFSET.** The City may, at its option, offset any amounts due and payable under this Agreement against any debt (including taxes) lawfully due to the City from Developer, regardless of whether the amount due arises pursuant to the terms of this Agreement or otherwise and regardless of whether or not the debt due to the City has been reduced to judgment by a court.

7. **MONITORING AND AUDIT.** City reserves the right to monitor and audit the Project operations and finances at any time during the term of this Agreement, and Developer agrees to allow access to all records and materials related to the Project and the Funds.

8. DEFAULT AND TERMINATION.

8.1 Developer Default. Developer shall be in default under this Agreement if (i) Developer breaches any term or condition of this Agreement or the Deed of Trust, (ii) any statement, warranty, or representation of Developer in this Agreement is determined by City to be false during the term of the Agreement or (iii) if any levy, attachment, or garnishment is issued, or if any lien including any lien for the performance of work or the supply of materials be filed against any part of the Property and remain unsatisfied or unbonded for a period of seven days after the date of filing thereof (each, a "Default"), and such Default remains uncured after 30 calendar days following written notice to Developer by City ("Uncured Default").

8.2 Remedies of City.

8.2.1 In the event of an Uncured Default, City shall have the right to elect in its sole discretion, to (1) terminate this Agreement effective immediately upon written notice of such intent to Developer, (2) demand immediate repayment by Developer of any and all amounts Reimbursed under this Grant and said amounts shall be immediately due and payable by Developer without further or additional notice, and (3) pursue any other legal remedies available to City at law or in equity to ensure compliance with this Agreement and the Deed of Trust. In the event of termination of this Agreement under (1), all Funds awarded but unpaid to Developer pursuant to this Agreement shall be immediately rescinded and Developer shall have no further right to such funds. In the event of repayment of Grant Funds under (2), any amount due and owing after the demand date shall accrue interest at a default rate equal to the lesser of the statutory rate for delinquent taxes as determined by Section 33.01 of the Property Tax Code of the State of Texas (but without the addition of a penalty) and the maximum rate of interest allowed by applicable law.

8.2.2 Developer does hereby grant to the City the right to prosecute or take other appropriate action, at law or in equity, against Developer to recover any due and owing Grant amount or to enforce any other covenant or agreement contained in this Agreement and the Deed of Trust. If the City prevails in a legal proceeding against Developer, the City is further entitled to recover damages, reasonable attorney fees, and court costs from Developer.

8.3 Notice by Developer. Developer shall immediately notify the City in writing upon becoming aware of any event or condition constituting a Default, or that would with the giving of notice or passage of time, or both, would constitute a Default under this Agreement. Such notice shall specify the nature of the event or condition, the period of existence thereof, and the action Developer is taking or proposes to take with respect thereto.

8.4 **No Funds Disbursed While in Breach.** Developer understands and agrees that no Funds will be paid or disbursed to or on behalf of Developer until all Defaults are cured to the satisfaction of City.

8.5 **Waiver of Breach Not Waiver of Subsequent Breach.** The waiver of a breach of any term, covenant, or condition of this Agreement shall not operate as a waiver of any subsequent breach of the same or any other term, covenant, or condition hereof.

8.6 **Termination.** Either party shall have the right, at any time before the earlier to occur of either (i) commencement of construction of the Improvements or (ii) a Reimbursement by City of any Funds, to terminate this Agreement by giving the other party notice by certified mail, return receipt requested. In such event the liability of the parties under this Agreement for the further performance of the terms hereof shall then cease.

8.7 **Notice of Contract Claim.** This Agreement and the Deed of Trust are subject to the provisions of Section 2-86 of the Dallas City Code, as amended, relating to requirements for filing a notice of breach of contract claim against City. Section 2-86 of the Dallas City Code, as amended, is expressly incorporated by reference and made a part of this Agreement and the Deed of Trust as if written word for word therein. Developer shall comply with the requirements of Section 2-86 as a precondition of any claim relating to this Agreement or the Deed of Trust, in addition to all other requirements in this Agreement or in the Deed of Trust related to claims and notice of claims. This Section 8.7 shall survive termination or expiration of the Agreement.

9. **GENERAL PROVISIONS**

9.1 **Venue.** The obligations of the parties to this Agreement shall be performable in Dallas County, Texas. Venue for any action, whether real or asserted, at law or in equity, arising out of the execution, performance, attempted performance or non-performance of this Agreement, shall lie in Dallas County, Texas.

9.2 **Governing Law.** In any questions involving state law, for any action, whether real or asserted, at law or in equity, arising out of the execution, performance or non-performance of this Agreement, the choice of law shall be the law and court decisions of the State of Texas, without regard to conflict of law or choice of law principles of Texas or of any other state.

9.3 **Severability.** The provisions of this Agreement are severable, and, if for any reason a clause, sentence, paragraph or other part of this Agreement shall be determined to be invalid by a court or Federal or state agency, board, or commission having jurisdiction over the subject matter thereof, such invalidity shall not affect other provisions which can be given effect without the invalid provision.

9.4 **Written Agreement Entire Agreement.** This written instrument and the exhibits attached hereto, which are hereby incorporated by reference and made a part of this Agreement for all purposes, constitutes the entire agreement by the Parties hereto concerning the work and services to be performed under this Agreement. Any prior or contemporaneous oral or

written agreement, which purports to vary the terms of this Agreement, shall be void. Any amendments to the terms of this Agreement must be in writing and must be executed by each Party to this Agreement.

9.5 **Captions.** The paragraph headings contained herein are for convenience in reference to this Agreement and are not intended to define or to limit the scope of any provision of this Agreement.

9.6 **No Construction Against Drafter.** Each Party has participated in negotiating and drafting this Agreement, so if an ambiguity or a question of interpretation arises, this Agreement is to be construed as if the Parties had drafted it jointly. Any rules of construction relating to interpretation against the drafter of an agreement shall not apply to this Agreement and are expressly waived.

9.7 **Assignment.** Developer may assign its rights, privileges, or duties under this Agreement with the prior written approval of City. The assignee must expressly assume the Deed of Trust and all of the obligations of Developer under this Agreement. Any attempted assignment without the prior written approval of City shall be void, and such attempt is a Default under this Agreement.

9.8 **Force Majeure.** If Developer becomes unable, either in whole or part, to fulfill its obligations under this Agreement due to acts of God, strikes, lockouts, acts of public enemies, wars, insurrections, riots, earthquakes, fires, floods, explosions, or some other reason beyond such Developer's control (collectively, "Force Majeure Event"), the obligations so affected by such Force Majeure Event will be suspended only during the continuance of such event. Developer will give City written notice of the existence, extent, and nature of the Force Majeure Event as soon as reasonably possible after the occurrence of the event. Developer will use commercially reasonable efforts to remedy its inability to perform as soon as possible. Failure to give notice will result in the continuance of the Developer's obligation regardless of the extent of any existing Force Majeure Event.

9.9 **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and constitute one and the same instrument. If this Agreement is executed in counterparts, then it shall become fully executed only as of the execution of the last such counterpart called for by the terms of this Agreement to be executed.

9.10 **Compliance with Laws and Regulations.** This Agreement is entered into subject to and controlled by the Charter and ordinances of the City of Dallas and all applicable rules, laws, and regulations of the State of Texas and the government of the United States of America. Developer shall, during the course of performance of this Agreement, comply with all such City, State, and Federal laws, rules, and regulations, as amended from time to time.

9.11 **Survival.** Section 9 shall survive termination or expiration of the Agreement.

10. **Indemnification and Release.**

DEVELOPER COVENANTS AND AGREES TO INDEMNIFY, HOLD HARMLESS AND DEFEND, AT ITS OWN EXPENSE, CITY AND ITS OFFICERS, AGENTS, SERVANTS, AND EMPLOYEES FROM AND AGAINST ANY AND ALL CLAIMS OR SUITS FOR PROPERTY LOSS OR DAMAGE AND/OR PERSONAL INJURY, INCLUDING DEATH, TO ANY AND ALL PERSONS, OF WHATSOEVER KIND OR CHARACTER, WHETHER REAL OR ASSERTED, ARISING OUT OF OR IN CONNECTION WITH THE EXECUTION, PERFORMANCE, ATTEMPTED PERFORMANCE, OR NONPERFORMANCE OF THIS AGREEMENT AND/OR THE OPERATIONS, ACTIVITIES, AND SERVICES OF THE PROJECT DESCRIBED HEREIN; AND DEVELOPER HEREBY ASSUMES ALL LIABILITY AND RESPONSIBILITY OF CITY AND ITS OFFICERS, AGENTS, SERVANTS, AND EMPLOYEES FOR ANY AND ALL CLAIMS OR SUITS FOR PROPERTY LOSS OR DAMAGE AND/OR PERSONAL INJURY, INCLUDING DEATH, TO ANY AND ALL PERSONS, OF WHATSOEVER KINDS OR CHARACTER, WHETHER REAL OR ASSERTED, ARISING OUT OF OR IN CONNECTION WITH THE EXECUTION, PERFORMANCE, ATTEMPTED PERFORMANCE, OR NONPERFORMANCE OF THIS AGREEMENT AND AGREEMENT AND/OR THE OPERATIONS, ACTIVITIES, AND SERVICES OF THE PROJECT DESCRIBED HEREIN.

DEVELOPER LIKewise COVENANTS AND AGREES TO AND DOES HEREBY INDEMNIFY AND HOLD HARMLESS CITY FROM AND AGAINST ANY AND ALL INJURY, DAMAGE, OR DESTRUCTION OF PROPERTY OF CITY, ARISING OUT OF OR IN CONNECTION WITH ALL ACTS OR OMISSIONS OF DEVELOPER, ITS OFFICERS, MEMBERS, AGENTS, EMPLOYEES, AGREEMENTORS, SUBAGREEMENTORS, INVITEES, LICENSEES, OR PROJECT PARTICIPANTS.

DEVELOPER AGREES TO AND SHALL RELEASE CITY, ITS AGENTS, EMPLOYEES, OFFICERS, AND LEGAL REPRESENTATIVES FROM ALL LIABILITY FOR INJURY, DEATH, DAMAGE, OR LOSS TO PERSONS OR PROPERTY SUSTAINED IN CONNECTION WITH OR INCIDENTAL TO PERFORMANCE UNDER THIS AGREEMENT.

DEVELOPER SHALL REQUIRE ALL OF ITS CONTRACTORS AND SUBCONTRACTORS TO INCLUDE IN THEIR AGREEMENTS AND SUBAGREEMENTS A RELEASE AND INDEMNITY IN FAVOR OF CITY IN SUBSTANTIALLY THE SAME FORM AS ABOVE.

THE INDEMNITY AND LIABILITY RELEASE PROVIDED FOR ABOVE SHALL NOT APPLY TO ANY LIABILITY RESULTING FROM THE SOLE NEGLIGENCE OR FAULT OF CITY, ITS OFFICERS, AGENTS, EMPLOYEES OR SEPARATE CONTRACTORS, AND IN THE EVENT OF JOINT AND CONCURRING NEGLIGENCE OR FAULT OF CITY AND DEVELOPER, RESPONSIBILITY AND INDEMNITY, IF ANY, SHALL BE APPORTIONED IN ACCORDANCE WITH THE LAW OF THE STATE OF TEXAS, WITHOUT WAIVING ANY GOVERNMENTAL IMMUNITY AVAILABLE TO CITY UNDER TEXAS LAW AND WITHOUT WAIVING ANY DEFENSES OF THE PARTIES UNDER TEXAS LAW.

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

11. **Waiver of Immunity by Developer.** If Developer, as a charitable or nonprofit organization, has or claims an immunity or exemption (statutory or otherwise) from and against liability for damages or injury, including death, to persons or property, Developer hereby expressly waives its rights to plead defensively such immunity or exemption as against City. This section shall not be construed to affect a governmental entity's immunities under constitutional, statutory, or common law. This Section 11 shall survive termination or expiration of the Agreement.

12. **Litigation and Claims.** Developer shall give City immediate notice in writing of any action, including any proceeding before an administrative agency, filed against Developer in conjunction with this Agreement or the Project. Developer shall furnish immediately to City copies of all pertinent papers received by Developer with respect to such action or claim. Developer shall provide a notice to City within 10 days upon filing under any bankruptcy or financial insolvency provision of law.

13. **Prohibition Against Interest / Conflict of Interest.**

13.1 Developer affirms that it will adhere to the provisions of the Texas Penal Code which prohibits bribery and gifts to public servants. The City may terminate this Agreement immediately if Developer has offered or agreed to confer any benefit upon a City employee or official that such employee or official is prohibited by law from accepting. For purposes of this section, "benefit" means anything reasonably regarded as pecuniary gain or pecuniary advantage, including benefit to any person in whose welfare the beneficiary has a direct or substantial interest, but does not include a contribution or expenditure made and reported in accordance with law.

13.2 The following section of the Charter of the City of Dallas shall be one of the conditions of, and a part of, the consideration for this Agreement:

CHAPTER XXII. SEC. 11. FINANCIAL INTEREST OF EMPLOYEE OR OFFICER PROHIBITED.

(a) No officer or employee shall have any financial interest, direct or indirect, in any contract with the city, or be financially interested, directly or indirectly, in the sale to the city of any land, materials, supplies or services, except on behalf of the city as an officer or employee. Any violation of this section shall constitute malfeasance in office, and any officer or employee guilty thereof shall thereby forfeit the officer's or employee's office or position with the city. Any violation of this section, with knowledge, express or implied, of the person or corporation contracting with the city shall render the contract involved voidable by the city manager or the city council.

(b) The alleged violations of this section shall be matters to be determined either by the trial board in the case of employees who have the right to appeal to the trial board, and by the city council in the case of other employees.

(c) The prohibitions of this section shall not apply to the participation by city employees in federally-funded housing programs, to the extent permitted by applicable federal or state law.

14. Notice. All notices required or permitted by this Agreement must be in writing and are deemed delivered on the earlier date of the date actually received or the third day following (i) deposit in a United States Postal Service post office or receptacle; (ii) with proper postage, certified mail return receipt requested; and (iii) addressed to the other Party at the address set out below or at such other address as the receiving Party designates by proper notice to the sending Party.

If intended for City, to:

Director
City of Dallas Housing Department
1500 Marilla Street, 6DN
Dallas, TX 75201

With a copy to:

City Attorney's Office
City Hall, Room 7DN
1500 Marilla Street
Dallas, TX 75201
Attn: Robin Bentley

If intended for Developer:

SDC Compton Housing, LP
3030 LBJ Fwy #1350
Dallas, TX 75234
Attn: Joseph Agumadu

With a copy to:

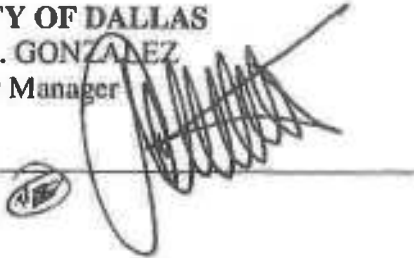
Coats Rose Yale Ryman & Lee, PC
9 Greenway Plaza, Suite 1100
Houston, TX 77046
Attn: Mattye G. Jones

15. Developer Has Legal Authority to Enter Into Agreement. Developer represents that it possesses the legal authority, pursuant to any proper, appropriate and official motion, resolution or action passed or taken, to enter into this Agreement and to perform the responsibilities herein required.

Executed and effective as of the 9 day of December, 2015, by the City, signing by and through its City Manager, and by Developer, acting through its duly authorized officials.

CITY OF DALLAS
A.C. GONZALEZ
City Manager

By: _____



APPROVED AS TO FORM:
WARREN M. S. ERNST
City Attorney

By: _____


Assistant City Attorney

RECOMMENDED BY DIRECTOR:



Bernadette Mitchell, Director
Housing/Community Services Department

DEVELOPER:

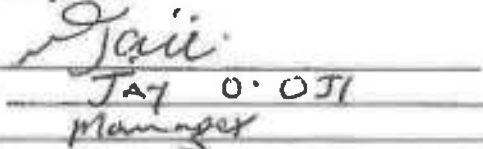
SDC Compton Housing, LP,
a Texas limited partnership

By: Fiji Townhomes Development, LLC,
a Texas limited liability company,
its general partner

By: _____

Name: _____

Title: _____


JAY O. OJI
Manager

Exhibits:

- Exhibit A** – Property Description
- Exhibit B** – Funds Budget
- Exhibit C** – Project Budget
- Exhibit D** – Council Resolution(s)
- Exhibit E** – MWBE
- Exhibit F** – AMI Chart
- Exhibit G** – Insurance Policies

Exhibit A – Property Description

Lots 1 through 23, Block D/5914; and Lots 1 through 26, Block E/5914, of Sphinx at Fiji Phase Two, an Addition to the City of Dallas, Dallas County, Texas, according to the map of plat thereof recorded under Instrument No. 201300187389 of the Map Records of Dallas County, Texas.

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

**DEED OF TRUST
TO SECURE PERFORMANCE**

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

KNOW ALL PERSONS BY THESE PRESENTS:

THIS DEED OF TRUST is made as of the 9 day of December 2015 by SDC Compton Housing, LP, a Texas limited partnership, (the "Grantor"), with its principal place of business at 3030 LBJ Freeway, #1350, Dallas, TX 75234, to Bernadette Mitchell, Trustee, of Dallas County, Texas, for the benefit of the CITY OF DALLAS, whose address is 1500 Marilla 6DN, Dallas, Texas 75201 Attn: Housing Department (hereinafter sometimes referred to herein as the "City of Dallas" and "the Beneficiary"). "Grantor" includes grantor's successors, representatives, and assigns.

FOR THE PURPOSE of securing the performance of the obligations described in paragraphs (a), (b), and (c) below (individually and collectively sometimes referred to herein as the "Obligations") as follows:

- (a) any and all covenants, warranties, representations and obligations made and undertaken by the Grantor under the Conditional Grant Agreement (the "Agreement") of even date herewith, by and between Grantor and the City of Dallas, for a \$1,225,000.00 grant as therein described (the "Grant"), including but not limited to the obligation to repay grant funds paid to or on behalf of Grantor in the event of default of the Agreement, under this Deed of Trust, the deed restrictions of even date herewith, and under any other instruments evidencing, securing or related to the Grant, presently existing or hereinafter entered into (individually and collectively sometimes referred to herein as the "Grant Documents");
- (b) any sums advanced by the City of Dallas pursuant to any of the provisions of this Deed of Trust (the "Deed of Trust"); and
- (c) all other sums recoverable by the Trustee and/or the City of Dallas and all other obligations of the Grantor under the provisions of the Grant Documents.

TO SECURE the full and timely performance of the Obligations, Grantor has GRANTED, BARGAINED, ASSIGNED, SOLD, and CONVEYED, and by these presents does GRANT, BARGAIN, ASSIGN, SELL, and CONVEY unto the Trustee the following described property (the "Property") in trust, for the use and benefit of the City of Dallas:

(a) the parcel(s), lot(s) and tract(s) of land described in **Exhibit A** attached hereto and made a part hereof for all purposes, together with all easements, rights of way, privileges, liberties, hereditaments, strips and gores, streets, alleys, passages, ways, waters, watercourses, rights and appurtenances thereunto belonging or appertaining, and all of the estate, right, title, interest, claim or demand whatsoever of Grantor therein and in the streets and ways adjacent thereto, either in law or in equity (collectively, the "Land");

(b) the structures or buildings, and all additions and improvements thereto, now or hereafter erected upon the Land, including all building materials and Fixtures (hereinafter defined) now or hereafter forming a part of said structures or buildings, or delivered to the Land and intended to be installed in such structures or buildings, and all infrastructure constructed on the Land, including but not limited to new streets, sidewalks, and utility lines (collectively, the "Improvements");

(c) all systems, devices, machinery, apparatus, equipment, fittings, appliances and fixtures of every kind and nature whatsoever located on the Land or the Improvements, including, but not limited to, all electrical, anti-pollution, heating, lighting, laundry, incinerating, power, air-conditioning, plumbing, lifting, cleaning, fire prevention, fire extinguishing, refrigerating, ventilating, communication, garage and cooking systems, devices, machinery, apparatus, equipment, fittings, appliances and fixtures, and all engines, pipes, pumps, tanks, motors, conduits, ducts, compressors and switch boards, and all storm doors and windows, dishwashers, attached cabinets and partitions not included in the Improvements, but excluding any such systems, devices, machinery, apparatus, equipment, fittings, appliances and fixtures belonging to any tenant of the Land or Improvements unless they are necessary to the operation of the Improvements (collectively, the "Fixtures");

(d) all articles of personal property of every kind and nature whatsoever, including, but not limited to, all shades, awnings, beds, screens, furniture and carpets, now or hereafter affixed to, attached to, placed upon, used or usable in any way in connection with the use, enjoyment, occupancy or operation (including the planning, development and financing) of the Land or Improvements, but excluding any such articles of personal property belonging to any tenant of the Land or Improvements unless it is necessary to the operation of the Improvements (collectively, the "Personal Property");

(e) all leases of the Land, Improvements and Personal Property, or any part thereof, now or hereafter entered into, and all right, title and interest of Grantor thereunder, including cash or securities deposited thereunder to secure performance by the tenants of their obligations, and, including further, the right to receive and collect the rents thereunder (collectively, the "Leases");

(f) all revenues, income, rents, issues and profits of any of the Land, Improvements, Personal Property or Leases (collectively, the "Rents");

(g) all proceeds from the conversion, whether voluntary or involuntary, of any part of the Land, Improvements, or Personal Property into cash or liquidated claims, including insurance proceeds, insurance premium refunds and condemnation awards;

(h) all contracts and subcontracts relating to the Land or Improvements, all plans and specifications relating to the Land or Improvements, and all permits, licenses, franchises, certificates, and other rights and privileges obtained in connection with the Land or Improvements (collectively, the "Contracts"); and

(i) all funds, reserve or operating accounts, contract rights, instruments, documents, general intangibles (including fictitious, trade and other names, trademarks, and symbols used in connection with the Land or Improvements, whether registered or not), and Grant Documents and chattel paper arising from or by virtue of any transaction relating to the Land or Improvements (collectively, the "Intangibles").

TO HAVE AND TO HOLD the Property unto the Trustee and the Trustee's successors and assigns forever and Grantor does hereby bind itself, its successors, heirs, executors, representatives and assigns to warrant and forever defend the Property unto the Trustee, his substitutes, successors and assigns forever, against the claim or claims of all persons claiming or to claim the same or any part thereof.

I. WARRANTIES, REPRESENTATIONS, COVENANTS AND OTHER AGREEMENTS

Grantor unconditionally warrants, represents, covenants, and agrees that:

1. The Obligations contained in the Grant Documents are legal, valid, and binding on Grantor and any guarantor, surety, endorser, partner of Grantor (if a partnership or joint venture) or other party (other than Grantor) directly or indirectly obligated, primarily or secondarily, for the performance of any of the Obligations (collectively the "Obligated Party") in accordance with their terms, and the execution and delivery of, and performance under, the Grant Documents: (i) are within the Grantor's powers and have been duly authorized by all requisite action (corporate, partnership, trust, or otherwise); (ii) have received all requisite approval by any and all governmental or quasi-governmental entities of any nature whatsoever, whether federal, state, county, district, city, or otherwise, and whether now or hereafter in existence (collectively, the "Governmental Authority"); and (iii) will not violate, conflict with, breach, or constitute a default under any Legal Requirement (hereinafter defined) or result in the imposition of any lien, charge, or encumbrance of any nature upon any of the Grantor's assets, except as contemplated in the Grant Documents. As used herein, the term "Legal Requirement" shall mean any and all of the following that may now or hereafter be applicable to the Grantor or the Property: (A) judicial decisions, statutes, rulings, rules, regulations, permits, certificates or ordinances of any Governmental Authority; (B) the Grantor's Bylaws and Articles of Incorporation, Agreement of Partnership, Limited Partnership or Joint Venture, Trust Declarations, or other agreements pertaining to any other form of the Grantor's business entity; (C) the Leases; (D) the Contracts; (E) restrictions of record; (F) other written or oral agreements or promises of any nature; and (G) all statutes, codes, ordinances, regulations, and program guidelines affecting the Property.

2. Grantor has good and indefeasible title to the Land, Improvements, Fixtures, and Personal Property, free and clear of any liens, encumbrances, security interests, or adverse claims other than those items shown on **Exhibit B** attached hereto and made a part hereof for all

purposes. This Deed of Trust shall constitute a valid and subsisting superior lien on the Land, Improvements, and Fixtures, and said Deed of Trust shall be a valid, subsisting, perfected, and prior security interest in and to the Personal Property, Fixtures, Leases, Contracts, and Intangibles, subject only to those items shown on **Exhibit B**, all in accordance with the terms of this Deed of Trust.

3. The Property forms no part of any property owned, used, or claimed by Grantor as a residential or business homestead and is not exempt from forced sale under the laws of the State of Texas. Grantor hereby disclaims and renounces each and every claim to the Property as a homestead.

4. Grantor and all Obligated Parties are now solvent and no bankruptcy or insolvency proceedings are pending or contemplated by or against any of them. All reports, statements, cost estimates, and other data furnished by or on behalf of any of them to the City of Dallas are true and correct.

5. Grantor will promptly and fully comply with all present and future Legal Requirements. All Improvements included or to be included in the Property comply or will comply with all Legal Requirements.

6. Grantor (if a corporation) is duly incorporated and in good standing under the laws of the state of its incorporation and is duly qualified to do business in the State of Texas. Grantor (if a partnership, trust, limited liability company, or joint venture) is validly and legally created and has the right to do business in the State of Texas.

7. Grantor and all Obligated Parties, as their interests appear and as the case may be, will duly and punctually: (i) perform all of the Obligations, in full, on or before the dates they are to be performed and (ii) cause each of the Impositions (hereinafter defined) to be paid and discharged not later than the due dates thereof and furnish the City of Dallas with evidence of such payment. As used herein, the term "Imposition" shall mean all rates and charges (including deposits), for insurance, taxes (for both real and personal property), water, gas, sewer, electricity, telephone and other utilities, any easement, license or agreement maintained for the benefit of the Property and all other charges, and any interest, costs, or penalties with respect thereto of any nature whatsoever which may now or hereafter be assessed, levied, or imposed upon the Property or the ownership, use, occupancy, or enjoyment thereof.

8. Grantor will keep the Property insured against personal injury, death, fire, tornado, flood (if the Property is located in an identified "flood hazard area" in which flood insurance has been made available pursuant to the National Flood Insurance Act of 1968), hail, explosion, windstorm, and such other risks, and will purchase comprehensive general public liability insurance, in such amounts and with such companies as may be acceptable to the City of Dallas, and in no event in an amount less than one hundred percent (100%) of the insurable value of the Property to be determined from time to time by the City of Dallas. All such policies shall have all losses made payable to the City of Dallas by mortgagee clauses of standard form and shall contain written undertakings from such insurance companies to provide the City of Dallas with at least thirty (30) days' written notice prior to cancellation of any such policy. Such policies of insurance shall be delivered to the City of Dallas promptly as issued. All renewal and substitute

policies of insurance shall be delivered to the office of the City of Dallas, with evidence of premiums paid, at least fifteen (15) days before the termination date of any existing policies. In case of loss, the City of Dallas shall be entitled to receive and retain the proceeds of the insurance policies, applying the same, at its option, upon the Obligations or to apply such proceeds to the repair or restoration of the Improvements. If any loss shall occur at any time when Grantor shall be in default as to the performance of this covenant, the City of Dallas shall nonetheless be entitled to the benefit of all insurance held by or for Grantor to the same extent as if it had been made payable to the City of Dallas.

9. At least thirty (30) days' prior to the date on which any tax or insurance premium must be paid to prevent delinquency, Grantor will deliver to the City of Dallas such statement or statements showing the amount of tax or premium required to be paid and the concern or authority to which same is payable and will, within 10 business days, deliver to the City of Dallas evidence of Grantor's payment in full of such insurance or tax obligations.

10. Grantor will: (i) duly and punctually perform and comply with all representations, warranties, covenants, and agreements binding upon it under the Leases, if any; (ii) not voluntarily terminate or waive its rights under any of the Leases; (iii) use all reasonable efforts to maintain each of the Leases in force and effect during the full term thereof; and (iv) appear in and defend any action or proceeding in any manner connected with any of the Leases.

11. Grantor will permit the Trustee, the City of Dallas, and their agents, attorneys, representatives, and employees, to enter upon and inspect the Property at all reasonable times and intervals.

12. Grantor will defend and hold the City of Dallas harmless from any action, proceeding, or claim affecting the Property or the Grant Documents or the lien or security interests created thereby. Further, Grantor will notify the City of Dallas, in writing, promptly of the commencement of any legal proceedings affecting the Property, or any part thereof, and will take such action as necessary to preserve the City of Dallas's rights affected thereby, and the City of Dallas may, at its election, take such action in behalf of and in the name of Grantor, and at Grantor's expense.

13. Grantor will promptly pay all debts and liabilities of any character, including, without limitation, all debts and liabilities for labor, material, and equipment incurred in the construction, operation, or development of the Property, and will construct and repair all Improvements in a good and workmanlike manner.

14. Grantor will keep separate and proper books of record and account pertaining to the Property in accordance with sound accounting practices consistently applied and set aside from its earnings for each fiscal year, and cause to be reflected in its books, reserves for depreciation, depletion, obsolescence, and amortization of the Property, as well as for the Impositions and other appropriate reserves, during such fiscal year determined in accordance with sound accounting practices consistently applied. The City of Dallas shall have the right to examine the books of account of Grantor and to discuss the affairs, finances, and accounts of Grantor with Grantor or any other party, all at such reasonable times and intervals as the City of Dallas may desire. Upon request from time to time and at any time, Grantor will deliver to the City of Dallas

such certified financial statements and other financial reports as the City of Dallas may require, including, without limitation, financial statements of Grantor, the Property, or any Obligated Party.

15. Upon request from time to time and at any time, Grantor will promptly correct any defect, error, or omission which may be discovered in the contents of this Deed of Trust or the Grant Documents, and will execute and deliver any and all additional instruments as may be requested by the City of Dallas to correct such defect, error or omission or to identify any additional properties which are or are to become subject to this Deed of Trust.

16. Grantor will give immediate written notice to the City of Dallas of any condemnation proceeding or casualty loss affecting the Property, and in each such instance afford the City of Dallas an opportunity to participate in any such proceeding or in the settlement of any awards thereunder.

17. Grantor will promptly pay and hold the City of Dallas harmless from all appraisal fees, recording fees, taxes, abstract fees, title policy fees, escrow fees, reasonable attorneys' fees, and all other costs of every character incurred by Grantor or the City of Dallas in connection with the closing of the Grant evidenced by the Grant Documents, or the performance of the covenants of this Deed of Trust, or otherwise attributable or chargeable to Grantor as owner of the Property.

18. Grantor will not use or occupy, or permit any use or occupancy of the Property in any manner which: (i) violates any Legal Requirement; (ii) may be dangerous; (iii) constitutes a public or private nuisance; or (iv) makes void or voidable any of the Leases, the Contracts or any insurance on the Property.

19. Grantor will not permit: (i) any waste or deterioration of any part of the Property or (ii) any alterations or additions to the Property of a material nature without the prior written consent of the Beneficiary, or (iii) (c) any of the Fixtures or Personal Property to be removed at any time from the Land or Improvements unless the removed item is removed temporarily for maintenance and repair or, if removed permanently, is replaced by an article of at least equal suitability and value and owned by Grantor free and clear of any other lien or security interest.

20. Grantor will not without the prior written consent of the City of Dallas: (i) create, place or permit to be created or placed, or allow to remain, any mortgage, pledge, lien (statutory, constitutional or contractual), security interest, encumbrance or charge, or conditional sale or other title retention agreement, regardless of whether same are expressly subordinate to the liens and security interests of the Grant Documents, with respect to the Property or any part thereof; or (ii) sell, exchange, assign, convey, transfer possession of, or otherwise dispose of all or any portion of the Property, or any interest therein. In the event ownership of the Property or any part thereof or interest therein becomes vested in any person or entity other than Grantor, the City of Dallas or any other holder of the Obligations may, without notice to Grantor, deal with such successor or successors in interest with reference to this Deed of Trust and the Obligations in the same manner as with Grantor, without in any way discharging Grantor or any Obligated Party from the Obligations. Without limiting the right of the City of Dallas to withhold its consent or to make other requirements prior to granting its consent, the City of Dallas: (A) may require evidence satisfactory to the City of Dallas that the transferee is creditworthy and has such

management ability as the City of Dallas shall deem in its sole discretion to be necessary; and (B) may require such transferee to execute such written modification and assumption agreements with regard to the Grant Documents as the City of Dallas shall deem necessary or desirable, including, but not limited to, provisions increasing the interest rate on the Grant Documents. No transfer of the Property, no forbearance by the City of Dallas and no extension of the time for the performance of the Obligations granted by the City of Dallas shall release, discharge or affect in any way Grantor's or any Obligated Party's liability hereunder.

21. There has not occurred any work nor have any materials been supplied with respect to the Property that could result in a claim of mechanic's and material man's lien(s) that would be superior to this Deed of Trust. Grantor will take any and all actions and pay such amounts as might be necessary or appropriate for the elimination of any such lien claim.

II. EVENTS OF DEFAULT

As used in this Deed of Trust, the term "Event of Default" shall mean the occurrence of any one or more of the following at any time and from time to time:

1. Subject to any applicable notice provisions contained within the Grant Documents, if any of the Obligations shall not be discharged fully and timely as therein provided.

2. If any representation, warranty or other information, including, without limitation, financial statements, marketing studies or cost estimates, supplied to the City of Dallas shall be false, misleading or erroneous in any material respect.

3. If Grantor or any Obligated Party shall: (i) voluntarily be adjudicated as bankrupt or insolvent; (ii) seek, consent to or not contest the appointment of a receiver or trustee for itself or for all or any part of its property; (iii) file a petition seeking relief under bankruptcy, arrangement, reorganization or other debtor relief laws of the United States or any state or any other competent jurisdiction; (iv) make a general assignment for the benefit of its creditors; or (v) admit in writing its inability to pay its debts as they mature.

4. If: (i) a petition is filed against Grantor or any Obligated Party seeking relief under bankruptcy, arrangement, reorganization or other debtor relief laws of the United States or any state or other competent jurisdiction and such petition is not discharged and shall continue in effect for a period of 60 days; or (ii) a court of competent jurisdiction enters an order, judgment or decree appointing a receiver or trustee for any part of Grantor's or an Obligated Party's property.

5. If (where applicable to Grantor) Grantor, shall dissolve or liquidate, merge with or be consolidated into any other entity, or transfer any portion of or interest in the Property, or shall attempt to do any of the same, or if Grantor shall die or become mentally incompetent.

6. If the Property is abandoned, substantially damaged or threatened with substantial damage so that, in the City of Dallas' reasonable judgment, it cannot promptly be restored with available funds to a profitable condition.

7. If Grantor shall default or commit an event of default under and pursuant to any other mortgage or security agreement which covers or affects any part of the Property.

8. In the event mechanic's and materialmen liens are sought to be enforced, that Grantor has not provided the City of Dallas with any cash, bond or other security to protect the property, which is satisfactory to the City of Dallas in its sole discretion.

9. If any condemnation proceeding is instituted or threatened which would, in the City of Dallas's reasonable judgment, impair the use or enjoyment of the Property for its intended purposes.

10. If Grantor is an entity other than an individual and, without the prior written consent of the City of Dallas there is: (i) a change in the legal or beneficial ownership of such entity or (ii) a conveyance or other transfer of any interest in such entity, including the grant of a security interest therein.

11. Subject to all applicable notice provisions contained within the Grant Documents, if default shall occur in the performance of any of the covenants or agreements of Grantor contained within this Deed of Trust.

12. If Grantor, or any Obligated Party or the Property shall otherwise be in default under any of the Grant Documents.

13. If the City of Dallas, in its sole judgment, determines that the ability of Grantor or any Obligated Party to perform the Obligations, or any part thereof, has deteriorated or been significantly impaired.

14. If during such period as any of the Obligations remains outstanding, unsatisfied, or unfulfilled, any of the following events shall occur:

(a) The Property is not maintained in compliance with applicable City of Dallas Code; or

(b) Grantor fails to pay property taxes when due on the Property or to maintain the required insurance on the Property; or

(c) Grantor, upon written notice of the Beneficiary, fails to cure defects on the Property, or to take appropriate actions to keep the Property in compliance with Environmental Requirements.

15. The sale or transfer of any portion of the Property or Grantor's interest in the Property without the prior written consent of the City of Dallas, during any period of time in which any Obligations remains outstanding, unsatisfied or unfulfilled.

III. DEFAULT AND FORECLOSURE

To the fullest extent permitted in equity or at law, by statute or otherwise:

1. If an Event of Default shall occur, the City of Dallas may, at the City of Dallas's sole election and by or through Trustee or otherwise, exercise any or all of the following:

(a) demand immediate repayment of any amounts advanced under the Grant and any other unpaid amounts under the Grant Documents, without further notice, presentment, protest, demand or action of any nature whatsoever (each of which is hereby expressly waived by Grantor), whereupon the same shall become immediately due and payable;

(b) enter upon the Property and take exclusive possession thereof and of all books, records and accounts relating thereto, and, if necessary to obtain such possession, the City of Dallas may invoke any and all legal remedies to dispossess Grantor, including specifically one or more actions for forcible entry and detainer, trespass to try title and writ of restitution;

(c) hold, lease, manage, operate or otherwise use or permit the use of the Property, either by itself or by other persons, firms or entities, in such manner, for such time and upon such other terms as the City of Dallas may deem prudent under the circumstances (making such repairs, alterations, additions and improvements thereto and taking such other action from time to time as the City of Dallas shall deem necessary or desirable), and apply all Rents collected in connection therewith in accordance with the provisions of Paragraph 7 of this Section III;

(d) sell or offer for sale the Property in such portions, order and parcels as the City of Dallas may determine, with or without having first taken possession of same, to the highest bidder for cash at public auction. Such sale shall be made in the area at the courthouse which is designated by the Commissioner's Court of the county where the Land is situated (or if the Land is situated in more than one county, then the Property shall be sold in the area at the courthouse which is designated by the Commissioner's Court of any of such counties as designated in the notices of sale provided for herein) on the first Tuesday of any month between 10:00 A.M. and 4:00 P.M. but not later than three (3) hours after the time stated in the notice as the earliest time at which the sale will occur after giving adequate legal notice of the time, place and terms of sale, by posting or causing to be posted written or printed notices thereof for at least twenty-one (21) consecutive days preceding the date of said sale at the courthouse door of the foregoing county, and at the County Clerk's office, and if the Land is situated in more than one county, one notice shall be posted at the courthouse door of each county in which the Land is situated, and by the City of Dallas serving written notice of such proposed sale on each debtor obligated to perform/pay the Obligations at least twenty-one (21) days preceding the date of said sale by certified mail at the most recent address for such parties in the records of the City of Dallas, or by accomplishing all or any of the aforesaid in such manner as permitted or required by Section 51.002, Texas Property Code as then amended (successor to Article 3810 of the Revised Civil Statutes of the State of Texas) relating to the sale of real estate and/or by Chapter 9 of the Texas and Business and Commerce Code (the "Code") relating to the sale of collateral after default by a debtor, or by any other present or subsequent laws. At any such sale: (i) Trustee shall not be required to have physical or constructive possession of the Property (Grantor hereby covenanting and agreeing to deliver to Trustee any portion of the Property not actually or

constructively possessed by Trustee immediately upon demand by Trustee) and the title to and right of possession of any such property shall pass to the purchaser thereof as completely as if the same had been actually present and delivered to the purchaser at such sale; (ii) each instrument of conveyance executed by Trustee shall contain a **general** warranty of title binding upon Grantor subject to the other exceptions to conveyance and warranty, without representations or warranties, express or implied, selling and conveying all or part of the Property "AS IS"; (iii) each and every recital contained in any instrument of conveyance made by Trustee shall conclusively establish the truth and accuracy of the matters recited therein, including, without limitation, nonperformance / **nonpayment** of the Obligations, advertisement and conduct of such sale in the manner **provided** herein and otherwise by law and by appointment of any successor Trustee hereunder; (iv) any and all prerequisites to the validity of such sale shall be conclusively presumed to have been performed; (v) the receipt of the Trustee or of such other party making the sale shall be a sufficient discharge to the purchaser for his purchase money and no such purchaser, or his assigns or personal representatives, shall thereafter be obligated to see to the application of such purchase money or be in any way answerable for any loss, misapplication or nonapplication thereof; (vi) Grantor shall be **completely** and irrevocably divested of all of its right, title, interest, claim and demand whatsoever, either at law or in equity, in and to all or any part of the Property sold, and such sale shall be a perpetual bar both at law and in equity against Grantor and against any and all other persons claiming or to claim the Property sold or any part thereof; and (vii) the City of Dallas may be a purchaser at any such sale;

(e) upon or at any time after commencement of foreclosure of the lien and security interest provided for herein, or any legal proceedings hereunder, the City of Dallas may make application to a court of competent jurisdiction, as a matter of strict right and without notice to Grantor or regard to the adequacy of the Property for the repayment of the Obligations, for the appointment of a receiver of the Property, and Grantor does hereby irrevocably consent to such appointment. Any such receiver shall have all the usual powers and duties of receivers in similar cases; and

(f) exercise any and all other rights, remedies and recourses granted under the Grant Documents or as may be now or hereafter existing in equity or at law, by virtue of statute or otherwise.

2. Should the Property be sold in one or more parcels as permitted by paragraph 1 (d) of this Section III, the right of sale arising out of any Event of Default shall not be exhausted by any one or more such sales, but other sales may be made until all of the Property has been sold or until the amounts owed the City of Dallas by Grantor and otherwise constituting any part of the Obligations has been fully satisfied.

3. All rights, remedies and recourses of the City of Dallas granted in the Grant Documents, or otherwise available at law or equity: (i) shall be cumulative and concurrent; (ii) may be pursued separately, successively or concurrently against Grantor or any Obligated Party, or against the Property, or against any one or more of them, at the sole discretion of the City of Dallas; (iii) may be exercised as often as the occasion therefore shall arise, it being agreed by Grantor that the exercise or failure to exercise any of same shall in no event be construed as a waiver or release thereof or of any right, remedy or recourse; and (iv) shall be nonexclusive.

4. The City of Dallas may release, regardless of consideration, any part of the Property without, as to the remainder, in any way impairing, affecting, subordinating or releasing the lien or security interests evidenced by the Grant Documents or affecting the obligations of Grantor or any Obligated Party to pay or perform, as their interests may appear, the Obligations or Obligations. The City of Dallas may resort to any of the security for payment of the Obligations in such order and manner as the City of Dallas may elect. No security heretofore, herewith or subsequently taken by the City of Dallas shall in any manner impair or affect the security given by the Grant Documents, and all security shall be taken, considered and held as cumulative.

5. Grantor hereby irrevocably and unconditionally waives and releases: (i) all benefits that might accrue to Grantor by virtue of any present or future law exempting the Property from attachment, levy or sale on execution or providing for any appraisal, valuation, stay of execution, exemption from civil process, redemption or extension of time for payment; (ii) all notices of any Event of Default or of the City of Dallas's exercise of any right, remedy or recourse provided for under the Grant Documents; (iii) any right to a marshalling of assets or a sale in inverse order of alienation; and (iv) to the full extent allowed by law, any right to an offset against any deficiency judgment which may be brought against Grantor wherein any holder of this Deed of Trust has sought recovery and Grantor has sought by motion to request that the court in which the action is pending determine the fair market value of the real property as of the date of the foreclosure sale, pursuant to §51.003 of the Texas Property Code.

6. In case the City of Dallas shall have proceeded to invoke any right, remedy or recourse permitted under the Grant Documents and shall thereafter elect to discontinue or abandon same for any reason, the City of Dallas shall have the unqualified right to do so and, in such event, Grantor and the City of Dallas shall be restored to their former positions with respect to the Obligations, the Obligations, the Grant Documents and the Property, and the rights, remedies, recourses and powers of the City of Dallas shall continue as if same had never been invoked.

7. Any proceeds of any sale of, and any Rents, except as otherwise provided in Paragraph 2 of Section V, or other amounts generated by the holding, leasing, operation or other use of the Property shall be applied in the following order of priority: (i) first, to the payment of all reasonable costs and expenses of taking possession of the Property and of holding, leasing, operating, using, repairing, improving and selling the same, including, without limitation, reasonable fees of the Trustee and attorneys retained by the City of Dallas or Trustee; reasonable fees of any receiver or accountants; recording and filing fees; court costs; costs of advertisement; the payment of any and all Impositions, liens, security interests or other rights, titles or interests equal or superior to the lien and security interest of this Deed of Trust (except those to which the Property has been sold subject to and without in any way implying the City of Dallas's consent to the creation thereof); (ii) second, to the payment of all accrued and unpaid interest, if any, due on the Obligations; (iii) third, to the payment of the unrepaid balance of the grant amount; (iv) fourth, to the payment of all amounts, other than unrepaid balance and accrued interest, if any, on the grant amount, which may be due to the City of Dallas under the Grant Documents, together with interest thereon as provided therein; and, (v) fifth, to the payment of amounts otherwise constituting any part of the Obligations..

8. In addition to the remedies set forth in this Section III, upon the occurrence of an Event of Default, the City of Dallas and Trustee shall, in addition, have all other remedies available to them at law or in equity.

IV. THE TRUSTEE

The following provisions shall govern with respect to the Trustee:

1. Trustee shall not be liable for any error of judgment or act done by Trustee in good faith, or be otherwise responsible or accountable to Grantor under any circumstances whatsoever, nor shall Trustee be personally liable, in case of entry by him or her or anyone entering by virtue of the powers herein granted upon the Property, for debts contracted or liability or damages incurred in the management or operation of the Property. Trustee shall have the right to rely on any instrument, document or signature authorizing or supporting any action taken or proposed to be taken by the Trustee hereunder, believed by the Trustee in good faith to be genuine. Trustee shall be entitled to reimbursement for expenses incurred by him or her in the performance of his or her duties hereunder and to compensation for such of his or her services hereunder as shall be rendered. Grantor will, from time to time, pay the compensation due to Trustee hereunder and reimburse Trustee for, and save him or her harmless from and against, any and all liability and expenses which may be incurred by him or her in the performance of his or her duties.

2. All monies received by Trustee shall, until used or applied as herein provided, be held in trust for the purposes for which they were received, but need not be segregated in any manner from any other monies (except to the extent required by law). Trustee shall be under no liability for interest on any money received by him or her hereunder.

3. Trustee may resign at any time with or without notice. If Trustee shall die, resign or become disqualified from acting in the execution of this trust or shall fail or refuse to execute the same when requested by the City of Dallas to do so, or if, for any reason, the City of Dallas shall prefer to appoint a substitute trustee to act instead of the aforenamed Trustee, the City of Dallas shall have full power to appoint one or more substitute trustees and, if preferred, several substitute trustees in succession who shall succeed to all the estates, rights, powers and duties of the aforenamed Trustee.

4. Any new Trustee appointed pursuant to any of the provisions hereof shall, without any further act, deed or conveyance, become vested with all the estates, properties, rights, powers and trusts of his or her predecessor in the rights hereunder with like effect as if originally named as Trustee herein; but nevertheless, upon the written request of the City of Dallas or of the successor Trustee, the Trustee ceasing to act shall execute and deliver an instrument transferring to such successor Trustee, upon the trusts herein expressed, all the estates, properties, rights, powers and trusts of the Trustee so ceasing to act, and shall duly assign, transfer and deliver any of the property and money held by such Trustee to the successor Trustee so appointed in his or her place.

V. MISCELLANEOUS

The following provisions shall also apply to and govern this Deed of Trust and the interpretation hereof:

1. All judgments, decrees or awards now or hereafter made for injury or damage to the Property, or awards, settlements or other compensation now or hereafter made by any Governmental Authority, including those for any variation of, or change of grade in, any streets affecting the Land or the Improvements, are hereby assigned in their entirety to the City of Dallas, who may apply the same to the Obligations secured hereby in such manner as the City of Dallas may elect; and the City of Dallas is hereby authorized, in the name of Grantor, to execute and deliver valid acquittances for, and to appeal from, any such award, judgment or decree.
2. Each and all of the Obligations shall survive the execution and delivery of the Grant Documents and the consummation of the grant called for therein, and shall continue in full force and effect until the Obligations shall have been fully satisfied and fulfilled.
3. Grantor, upon the request of Trustee or the City of Dallas, will execute, acknowledge, deliver and record and/or file such further instruments and do such further acts as may be necessary, desirable or proper to carry out more effectively the purposes of the Grant Documents and to subject to the liens and security interests thereof any property intended by the terms thereof to be covered thereby, including specifically, but without limitation, any renewals, additions, substitutions, replacements or appurtenances to the Property. Grantor will pay all such recording, filing, re-recording and re-filing taxes, fees and other charges, including those for security interest searches.
4. All notices or other communications required or permitted to be given under this Deed of Trust (except for notices of a foreclosure sale which shall be given in the manner set forth in Paragraph 1(d) of Section III hereof) shall be in writing and shall be deemed served and given upon deposit in the United States mail, postage prepaid, registered or certified with return receipt requested, or by delivering same in person to the intended addressee or upon sending a prepaid telegram. Notice given in any other manner shall be effective only if and when received by the addressee. For purposes of notice, the addresses of the parties shall be as set forth on the first page of this Deed of Trust, provided, however, that either party shall have the right to change its address for notice hereunder to any other location within the continental United States by the giving of thirty (30) days notice to the other party in the manner set forth hereinabove.
5. Any failure by Trustee or the City of Dallas to insist, or any election by Trustee or the City of Dallas not to insist, upon strict performance by Grantor of any of the terms, provisions or conditions of the Grant Documents shall not be deemed to be a waiver of same or of any other term, provision or condition thereof, and Trustee and the City of Dallas shall have the right at any time or times thereafter to insist upon strict performance by Grantor of any and all of such terms, provisions and conditions.
6. If Grantor shall fail, refuse or neglect to make any payment or perform any act required by the Grant Documents, then at any time thereafter, and without notice to or demand upon Grantor and without waiving or releasing any other right, remedy or recourse the City of Dallas may have, the City of Dallas may (but shall not be obligated to) make such payment or perform

such act for the account of and at the expense of Grantor, and shall have the right to enter the Land and Improvements for such purpose and to take all such action thereon and with respect to the Property as it may deem necessary or appropriate. The City of Dallas may remedy any default without waiving it and may waive any default without waiving any prior or subsequent default. Grantor shall indemnify the City of Dallas for all losses, expenses, damages, claims and causes of action, including reasonable attorneys' fees, incurred or accruing by reason of any acts performed by the City of Dallas pursuant to this Paragraph 6 of this Section VII, and all such sums expended by the City of Dallas to which it shall be entitled to be indemnified, together with interest thereon at the maximum rate allowed by law from the date of such payment or expenditure until paid, shall constitute additions to the Obligations, shall be secured by the Grant Documents and shall be paid by Grantor to the City of Dallas upon demand.

7. All Obligations are intended by the parties to be, and shall be construed as, covenants running with the Property, and only to the extent the said Obligations have not heretofore been fully satisfied and released by the City of Dallas as provided herein. Following Grantor's full satisfaction and fulfillment of the Obligations hereunder, the City of Dallas will execute and deliver a full release of lien in recordable form to the Grantor.

8. All of the terms of the Grant Documents shall apply to, be binding upon and inure to the benefit of the parties thereto, their respective successors, assigns, heirs and legal representatives, and all other persons claiming by, through or under them.

9. The Grant Documents are intended to be performed in accordance with, and only to the extent permitted by, all applicable Legal Requirements. If any provision of the Grant Documents or the application thereof to any person or circumstance shall, for any reason and to any extent, be invalid or unenforceable, neither the remainder of the instrument in which such provision is contained, nor the application of such provision to other persons or circumstances, nor the other instruments referred to hereinabove shall be affected thereby, but rather shall be enforced to the greatest extent permitted by law. Notwithstanding anything to the contrary contained in any of the Grant Documents, whether now existing or hereafter arising and whether written or oral, it is agreed that the aggregate of all interest and any other charges constituting interest, or adjudicated as constituting interest, and contracted for, chargeable or receivable under the Grant Documents or otherwise in connection with this transaction, shall under no circumstances exceed the total amount of interest which would have been earned at the Maximum Rate (hereinafter defined), shall constitute additions to the Obligations, shall be secured by the Grant Documents and shall be paid by Grantor to the City of Dallas upon demand. As used herein, the term "Maximum Rate" means the maximum nonusurious interest that at any time or from time to time may be contracted for, taken, reserved, charged, or received on the Obligations evidenced by the Grant Documents under the laws of the State of Texas. Any interest in excess of the Maximum Rate shall be credited on the principal of the debt or, if that has been paid, refunded. On any acceleration or required or permitted prepayment, any such excess shall be canceled automatically as of the acceleration or prepayment or, if already paid, credited on the principal of the debt or, if the principal of the debt has been paid, refunded. This provision overrides other provisions in this and all other instruments concerning the debt. In the event the maturity of the Grant Documents is accelerated by the City of Dallas as a result of a default under the Grant Documents, this Deed of Trust or under any of the other Grant Documents, or by voluntary prepayment of the Grant Documents by the Grantor, or otherwise, then the total amount of earned

interest may never exceed the total amount of interest which would have been earned at the Maximum Rate, computed from the dates each advance of the grant proceeds is made until payment. If, from any circumstance, the City of Dallas shall ever receive interest, or any other charges constituting interest, or adjudicated as constituting interest, in excess of the total amount of interest which would have been earned at the Maximum Rate, the amount of such excess interest shall be applied to the reduction of the amount owing on the Grant Documents or an account of any other principal Obligations of the Grantor to the City of Dallas, and not to the payment of interest; or if the amount of such excess interest exceeds the unpaid principal balance of the Grant Documents and such other Obligations, the amount of such excess interest that exceeds the unpaid principal balance of the Grant Documents and such other Obligations shall be refunded to Grantor. All sums paid or agreed to be paid to the City of Dallas for the use, forbearance or detention of the Obligations of the Grantor to the City of Dallas shall be amortized, prorated, allocated and spread throughout the full term of the Grant Documents until payment in full so that the actual rate of interest on account of such Obligations is uniform throughout the term of the Grant Documents.

10. In the event of the passage after the date of this Deed of Trust of any applicable law changing in any way the laws for the taxation of deeds of trust and/or the debts secured thereby so as to affect this Deed of Trust, the City of Dallas shall have the right, at the City of Dallas's option, to declare the Obligations immediately due and payable.

11. The Grant Documents contain the entire agreement between the parties relating to the subject matter hereof and thereof, and all prior agreements relative thereto which are not contained herein or therein are terminated. The Grant Documents may be amended, revised, waived, discharged, released or terminated only by a written instrument or instruments, executed by the party against which enforcement of the amendment, revision, waiver, discharge, release or termination is asserted. Any alleged amendment, revision, waiver, discharge, release or termination which is not in accordance with this Section shall not be effective as to any party.

12. This Deed of Trust may be executed in any number of counterparts, each of which shall be an original but all of which together shall constitute but one instrument.

13. If any or all of the proceeds of the Grant Documents have been used to extinguish, extend or renew any Obligations heretofore existing against the Property, then, to the extent of such funds so used, the Obligations and this Deed of Trust shall be subrogated to all of the rights, claims, liens, titles and interests heretofore existing against the Property to secure the Obligations so extinguished, extended or renewed and the former rights, claims, liens, titles and interests, if any, are not waived but rather are continued in full force and effect in favor of the City of Dallas and are merged with the lien and security interests created herein as cumulative security for the repayment of the Obligations and the satisfaction of the Obligations.

14. This Deed of Trust and the Grant Documents are fully performable in Dallas County, Texas. **This Deed of Trust and the Grant Documents shall be governed by and construed according to the laws of the State of Texas and the applicable laws of the United States of America.**

15. Whenever the context hereof requires, references herein to the singular number shall include the plural, and likewise the plural shall include the singular; words denoting gender shall be construed to include the masculine, feminine and neuter, where appropriate; and specific enumeration shall not exclude the general, but shall be considered as cumulative.

16. If the Grantor consists of more than one party, the obligations of each party constituting the Grantor to perform the Obligations shall be joint and several; and if the Obligated Party consists of more than one party, the obligations of each party constituting the Obligated Party to perform the Obligations shall be joint and several.

17. Notwithstanding anything herein contained to the contrary, it is understood and agreed to by Grantor that Grantor shall defend, indemnify and hold harmless the City of Dallas from and against any and all liability and claims for death of or injury to any person or property, including damage to persons or property, loss of use of property, expenses and attorney's fees related thereto arising or alleged to arise out of or in any way related to the Grant Documents and/or Obligations, whether such liability or claim is based on negligence or any other liability theory against the City of Dallas.

VI. HAZARDOUS MATERIALS

1. Definitions. For the purposes of this Deed of Trust, Grantor, the City of Dallas and Trustee agree that, unless the context otherwise specifies or requires, the following terms shall have the meaning herein specified:

(a) "Governmental Authority" shall mean the United States, the state, the county, the city, or any other political subdivision in which the Property is located, and any other political subdivision, agency, or instrumentality exercising jurisdiction over Grantor or the Property.

(b) "Governmental Requirements" shall mean all laws, ordinances, rules and regulations of any Governmental Authority applicable to Grantor or the Property.

(c) "Hazardous Materials" shall mean (i) any "hazardous waste" as defined by the Resource Conservation and Recovery Act of 1976 (42 U.S.C.A. §§6901 et seq.), as amended from time to time, and regulations promulgated thereunder; (ii) any "hazardous substance" as defined by the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C.A. §§ 9601 et seq.) ("CERCLA"), as amended from time to time, and regulations promulgated thereunder; (iii) asbestos; (iv) polychlorinated biphenyls; (v) underground storage tanks, whether empty, filled or partially filled with any substance, (vi) any substance the presence of which on the Property is prohibited by any Governmental Requirements; and (vii) any other substance which by any Governmental Requirements requires special handling or notification of any federal, state or local governmental entity in its collection, storage, treatment, or disposal. Hazardous Materials shall not include the safe and lawful use and storage of quantities of (1) pre-packaged supplies, cleaning materials and petroleum products customarily used in the operation and maintenance of comparable multifamily properties, (2) cleaning materials, personal grooming items and other items sold in pre-packaged containers for consumer use and used by

tenants and occupants of residential dwelling units located on the Property; and (3) petroleum products used in the operation and maintenance of motor vehicles from time to time located on the Property's parking areas, so long as all of the foregoing are used, stored, handled, transported and disposed of in compliance with Governmental Requirements.

(d) "Hazardous Materials Contamination" shall mean the contamination (whether presently existing or hereafter occurring) of the Improvements, facilities, soil, groundwater, air or other elements on or of the Property by Hazardous Materials, or the contamination of the buildings, facilities, soil, groundwater, air or other elements on or of any other property, air or other elements on or of any other property as a result of Hazardous Materials at any time (whether before or after the date of this Deed of Trust) emanating from the Property.

2. Grantor's Warranties. Grantor hereby represents and warrants that:

(a) No Hazardous Materials are now located on the Property, and neither Grantor nor, to Grantor's knowledge, any other person has ever caused or permitted any Hazardous Materials to be placed, held, located, or disposed of on, under or at the Property or any part thereof;

(b) No part of the Property is being used for the disposal, storage, treatment, processing or other handling of Hazardous Materials, nor is any part of the Property affected by the Hazardous Materials contamination except as related to Grantor's demolition on the Property;

(c) No property adjoining the Property is being used, or has ever been used at any previous time for the disposal, storage, treatment, processing or other handling of Hazardous Materials nor is any other property adjoining the Property affected by Hazardous Materials Contamination;

(d) The Property is not currently on, and to Grantor's knowledge after diligent investigation and inquiry, has never been on, any federal or state "Superfund" or "Superlien" list;

(e) Neither Grantor nor, to the best of Grantor's knowledge and belief, any tenant of any portion of the Property has received any notice from any Governmental Authority with respect to any violation of any Governmental Requirements;

(f) The use which Grantor makes and intends to make of the Property will not result in the disposal or release of any Hazardous Materials on, in or to the Property; and

(g) Grantor shall not cause any violation of any Governmental Requirements, nor permit any tenant of any portion of the Property to cause such a violation, nor permit any environmental liens to be placed on any portion of the Property.

3. Grantor's Covenants. Grantor shall conduct and complete all investigations, studies, sampling and testing and all remediation, removal and other actions necessary to cleanup and remove Hazardous Materials on, in, from or affecting any portion of the Property (a) in

accordance with all Governmental Requirements, (b) to the satisfaction of the City of Dallas, and (c) in accordance with the orders and directives of all Governmental Authorities. Grantor agrees to (i) give notice to the City of Dallas immediately upon Grantor's acquiring knowledge of the presence of any Hazardous Materials on the Property or of any Hazardous Materials Contamination with a full description thereof; (ii) promptly comply with any Governmental Requirements requiring the removal, treatment or disposal of such Hazardous Materials or Hazardous Material Contamination and provide the City of Dallas with satisfactory evidence of such compliance; and (iii) provide the City of Dallas, within thirty (30) days after demand by the City of Dallas, with a bond, letter of credit or similar financial assurance evidencing to the City of Dallas's satisfaction that the necessary funds are available to pay the cost of removing, treating and disposing of such Hazardous Materials or Hazardous Materials Contamination and discharging any assessments which may be established on the Property as a result thereof.

4. **Site Assessments.** The City of Dallas (by its officers, employees and agents) at any time and from time to time, either prior to or after the occurrence of an Event of Default, may contract for the services of persons (the "Site Reviewers") to perform environmental site assessments ("Site Assessments") on the Property for the purpose of determining whether there exists on the Property any environmental condition which could reasonably be expected to result in any liability, cost or expense to the owner, occupier or operator of such Property arising under any state, federal or local law, rule or regulation relating to Hazardous materials. The Site Assessments may be performed at any time or times, upon reasonable notice, and under reasonable conditions established by Grantor which do not impede the performance of the Site Assessments. The Site Reviewers are hereby authorized to enter upon the Property for such purposes. The Site Reviewers are further authorized to perform both above and below the ground testing for environmental damage or the presence of Hazardous Materials on the Property and such other tests on the Property as may be necessary to conduct the Site Assessments in the reasonable opinion of the Site Reviewers. Grantor will supply to the Site Reviewers such historical and operational information regarding the Property as may be reasonably requested by the site Reviewers to facilitate the Site Assessments and will make available for meetings with the Site Reviewers appropriate personnel having knowledge of such matters. On request, the City of Dallas shall make the results of such Site Assessments fully available to Grantor, which (prior to an Event of Default) may at its election participate under reasonable procedures in the direction of such Site Assessments and the description of tasks of the Site Reviewers. The cost of performing such Site Assessments shall be paid by Grantor upon demand of the City of Dallas and any such obligations shall be Obligations secured by this Deed of Trust.

5. **Indemnification.** Regardless of whether any Site Assessments are conducted hereunder, Grantor shall defend, indemnify and hold harmless the City of Dallas, and Trustee from any and all liabilities (including strict liability), actions, demands, penalties, losses, costs or expenses (including, without limitation, attorneys' fees and expenses, and remedial costs), suits, costs of any settlement or judgment and claims of any and every kind whatsoever which may now or in the future (whether before or after the release of this Deed of Trust) be paid, incurred or suffered by or asserted against the City of Dallas or Trustee by any person or entity or governmental agency for, with respect to, or as a direct or indirect result of, the presence on or under, or the escape, seepage, leakage, spillage, discharge, emission or release from the Property of any Hazardous Materials or any Hazardous Materials Contamination or arise out of or result from the environmental condition of the Property or the applicability of any Governmental

Requirements relating to Hazardous Materials (including, without limitation, CERCLA or any federal, state or local so-called "Superfund" or "Superlien" laws, statute, law, ordinance, code, rule, regulation, order or decree), regardless of whether or not caused by or within the control of Grantor, the City of Dallas or Trustee. The representations, covenants, warranties and indemnifications contained in this Article shall survive the release of this Deed of Trust.

6. **Beneficiary's Right to Remove Hazardous Materials.** The City of Dallas shall have the right but not the obligation, prior or subsequent to an Event of Default, without in any way limiting the City of Dallas's other rights and remedies under this Deed of Trust, to enter onto the Property or to take such other actions as it deems necessary or advisable to cleanup, remove, resolve or minimize the impact of, or otherwise deal with, any Hazardous Materials or Hazardous Materials Contamination on the Property following receipt of any notice from any person or entity asserting the existence of any Hazardous Materials or Hazardous materials Contamination pertaining to the Property or any part thereof which, if true, could result in an order, suit, imposition of a lien on the Property, or other action and/or which, in the City of Dallas's sole opinion, could jeopardize the City of Dallas's security under this Deed of Trust. All costs and expenses paid or incurred by the City of Dallas in the exercise of any such rights shall be Obligations secured by this Deed of Trust and shall be payable by Grantor upon demand.

[Signatures appearing on the following page].

EXECUTED as of the date first above written.

GRANTOR:

**SDC Compton Housing, LP,
a Texas limited partnership**

**By: Fiji Townhomes Development, LLC,
a Texas limited liability company,
its general partner**

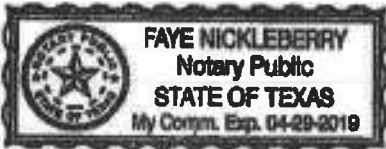
By: Jaji
Name: Jay O. Oji
Title: Manager

ACKNOWLEDGEMENT

STATE OF TEXAS §
COUNTY OF DALLAS §

This instrument was acknowledged before me on this the 9th day of December, 2015
by Jay O. Oji, Manager of Fiji Townhomes
Development, LLC, the general partner of SDC Compton Housing, LP, a Texas limited
partnership on behalf of such limited partnership.

Faye Nickleberry
Notary Public, State of Texas



AFTER RECORDING, RETURN TO:
City of Dallas Housing Department
1500 Marilla 6DN
Dallas, Texas 75201

EXHIBIT A

LAND

Lots 1, 2, and 3, Block D/5914; and Lots 13, 14, 15, 16, 17, 19, 20, 21, 24, 25, and 26, Block E/5914, of Sphinx at Fiji Phase Two, an Addition to the City of Dallas, Dallas County, Texas, according to the map of plat thereof recorded under Instrument No. 201300187389 of the Map Records of Dallas County, Texas.

EXHIBIT B

TITLE EXCEPTIONS

1. Easements of record in the official real property records of the county in which the Property is located.
2. Those certain Deed Restrictions on the Property executed by Grantor of even date herewith and recorded in the official real property records of the county in which the Property is located.

When Recorded, Return To:
LEGACYTEXAS BANK
1105 W. 15th Street
Plano, Texas 75075-7247
Attn: Collateral Department

ELECTRONICALLY RECORDED 201600111355
04/26/2016 04:26:58 PM SUBORD AGMT 1/10

1401429 mceb

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

SUBORDINATION AGREEMENT

THIS SUBORDINATION AGREEMENT (this "Agreement") is entered into as of the 22nd day of April 2016, by and among the CITY OF DALLAS, a Texas municipal corporation (hereinafter, the "City"), SDC COMPTON HOUSING, LP, a Texas limited partnership ("Borrower"), and LEGACYTEXAS BANK, whose address is 5000 Legacy Drive, Suite 220, Plano, Texas 75024, Attn: Alice Anne Brown ("Lender").

RECITALS:

A. Pursuant to the terms of that certain Construction Loan Agreement dated of even date herewith, between, among others, Borrower and Lender (such Construction Loan Agreement, as amended, restated, renewed and extended from time to time being referred to herein as the "Loan Agreement"), Borrower has made, executed and delivered to Lender that certain Revolving Promissory Note (the "Note") dated of even date herewith payable to the order of Lender in the amount of \$2,500,000.00. The Note is secured by, among other things, a Deed of Trust (with Security Agreement and Assignment of Rents) of even date herewith (as renewed, extended and modified from time to time, the "Lender Deed of Trust") executed by, among others, Borrower, to MARK WILLIAMSON, Trustee, dated of even date herewith, to be filed of record in the Official Public Records of Dallas County, Texas, covering the real property (the "Property") described on Exhibit "A" attached hereto and made a part hereof.

B. The City and Borrower previously entered into that certain Conditional Grant Agreement (the "Grant Agreement") dated December 9, 2015, with respect to a portion of the Property.

C. In order to secure Borrower's performance under the Grant Agreement, the Borrower executed for the benefit of the City that certain Deed of Trust to Secure Performance (the "City Deed of Trust") dated December 9, 2015, and recorded under Dallas County Clerk's File No. 201500341698, Official Public Records, Dallas County, Texas covering a portion of the Property.

D. Lender will not advance any funds under the Loan Agreement unless certain rights, safeguards, obligations, and priorities are established among the parties hereto, all as hereinafter set forth.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lender, Borrower and the City hereby agree as follows:

1. **Subordination.** The City hereby expressly and irrevocably subordinates the City Deed of Trust, all liens created thereunder, and any rights to receive insurance proceeds under the Grant Agreement, to all liens, security interests and rights of Lender in and to the Property and any such insurance proceeds, including without limitation, those liens granted in the Lender Deed of Trust.

2. **Notice of Borrower Default.** If the City becomes aware of any default by Borrower under the Grant Agreement, City Deed of Trust or any of the other Grant Documents and the City intends to exercise any remedies it may have by law or pursuant to the terms of the Grant Agreement, City Deed of Trust or any of the other Grant Documents as a result of such default, the City shall promptly give Lender written notice thereof, and shall provide Lender with ninety (90) days from the date of its receipt of such notice to cure any such default (it being agreed that Lender has no obligation to City to cure any such default). Lender shall have the right at any time (but shall have no obligation) to take in the name of Lender or in the name of Borrower or otherwise such action as Lender may at any time or from time to time determine to be necessary or advisable to cure any default under the Grant Agreement, City Deed of Trust or any of the other Grant Documents or to protect the rights of Borrower or Lender thereunder; provided, however, a default shall not be deemed to have occurred if such default, circumstance or condition is of a nature that it cannot be reasonably cured during such ninety (90) day period and (i) Lender has commenced reasonable efforts to cure such default within such ninety (90) day period, and (ii) diligently pursues such cure efforts to completion. Lender shall incur no liability if any action taken by Lender or on behalf of Lender may prove to be inadequate or invalid.

3. **Notices.** Any notice by one party to the other hereunder shall be in writing and shall be delivered in person or by United States Mail, postage prepaid, certified, with return receipt requested. Notice shall be deemed delivered on the date delivered, or if mailed, three days after deposit in the U.S. Mail. Notice shall be delivered to the following addresses:

To the City: Director
 City of Dallas Housing Department
 1500 Marilla 6DN
 Dallas, Texas 75201

With a copy to: City Attorney's Office
 City Hall, Room 7DN
 1500 Marilla
 Dallas, Texas 75201
 Attention: Robin Bentley

To the Lender: LEGACYTEXAS BANK
5000 Legacy Drive, Suite 220
Plano, Texas 75024
Attn: *Alice Anne Brown*

To Borrower: SDC COMPTON HOUSING, LP
3030 LBJ Frwy., Ste. 880
Dallas, Texas 75234
Attn: *Jideofor O. Oji and Joseph N. Agumadu*

The parties may change their addresses for purposes of notice by giving the other party ten (10) days written notice of the address change in the manner hereinabove stated.

5. Miscellaneous.

a. This Agreement constitutes the entire agreement of the parties hereto with respect to the subject matter hereof, and supersedes all prior and contemporaneous written or oral agreements. Any amendment hereto must be in writing executed by the Borrower, the Lender and the City.

b. This Agreement is governed by the laws of the State of Texas and, where applicable, the laws of the United States of America.

c. This Agreement shall be binding upon and inure to the benefit of each of the parties hereto and their respective successors and assigns.

d. This Agreement shall remain in full force and effect until the Note and any and all indebtedness owing or to become owing to Lender by Borrower pursuant to any instruments securing the Note has been fully and finally paid and Borrower has no further obligations under the Loan Agreement.

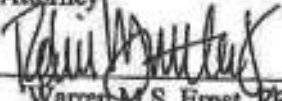
e. This Agreement may be executed in two or more counterparts, and it shall not be necessary that any one counterpart be executed by all of the parties hereto. Each fully or partially executed counterpart shall be deemed an original, but all such counterparts taken together shall constitute but one and the same instrument.

[Signatures appear on following page]

IN WITNESS WHEREOF, the undersigned have affixed their signatures hereto to be effective as of the date first above written.

CITY:

APPROVED AS TO FORM:
Warren M.S. Ernst
City Attorney

By: 
Warren M.S. Ernst, ~~City~~
Assistant City Attorney

CITY OF DALLAS
A.C. Gonzalez
City Manager

By: 
for A.C. Gonzalez, City Manager

LENDER:

LEGACYTEXAS BANK

By: _____
Name: _____
Title: _____

BORROWER:

SDC COMPTON HOUSING, LP,
a Texas limited partnership

By: Fiji Townhomes Development, LLC,
a Texas limited liability company
Its: General Partner

By: _____
Jideofor O. Oji, Manager

By: _____
Joseph N. Agumadu, Manager

THE STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me on the 22nd day of April 2016, by A.G. RYAN S. ^{EVANS} ~~Gonzales~~ ⁽²⁵⁵¹⁾ City Manager of the City of Dallas, a Texas municipal corporation, on behalf of said municipal corporation.



George T. Williams
Notary Public in and for the State of Texas

STATE OF TEXAS §
 §
COUNTY OF _____ §

This instrument was acknowledged before me on this ___ day of April 2016, by _____ of LEGACYTEXAS BANK, on behalf of said bank.

Notary Public, in and for the State of Texas

STATE OF TEXAS §
 §
COUNTY OF _____ §

This instrument was acknowledged before me on the ___ day of April 2016, by Jideofor O. Oji, as a Manager of FIJI TOWNHOMES DEVELOPMENT, LLC, a Texas limited liability company, as the sole General Partner of SDC COMPTON HOUSING, LP, a Texas limited partnership, on behalf of said limited liability company, on behalf of said limited partnership.

Notary Public, State of Texas

STATE OF TEXAS §
 §
COUNTY OF _____ §

This instrument was acknowledged before me on the ___ day of April 2016, by Joseph N. Agumadu, as a Manager of FIJI TOWNHOMES DEVELOPMENT, LLC, a Texas limited liability company, as the sole General Partner of SDC COMPTON HOUSING, LP, a Texas limited partnership, on behalf of said limited liability company, on behalf of said limited partnership.

Notary Public, State of Texas

IN WITNESS WHEREOF, the undersigned have affixed their signatures hereto to be effective as of the date first above written.

CITY:

APPROVED AS TO FORM:
Warren M.S. Ernst
City Attorney

CITY OF DALLAS
A.C. Gonzalez
City Manager

By: _____
Warren M.S. Ernst,
Assistant City Attorney

By: _____
A.C. Gonzalez, City Manager

LENDER:

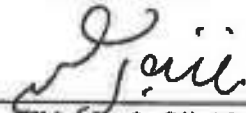
LEGACYTEXAS BANK

By: _____
Name: _____
Title: _____

BORROWER:

SDC COMPTON HOUSING, LP,
a Texas limited partnership

By: Fiji Townhomes Development, LLC,
a Texas limited liability company
Its: General Partner

By: 
Jideofor O. Oji, Manager

By: 
Joseph N. Agumadu, Manager

THE STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me on the ____ day of April 2016, by A.C. Gonzalez, City Manager of the City of Dallas, a Texas municipal corporation, on behalf of said municipal corporation.

Notary Public in and for the State of Texas

STATE OF TEXAS §
 §
COUNTY OF _____ §

This instrument was acknowledged before me on this ____ day of April 2016, by _____ of LEGACYTEXAS BANK, on behalf of said bank.

Notary Public, in and for the State of Texas

STATE OF TEXAS §
 §
COUNTY OF Dallas §

This instrument was acknowledged before me on the 25 day of April 2016, by Jideofor O. Oji, as a Manager of FIJI TOWNHOMES DEVELOPMENT, LLC, a Texas limited liability company, as the sole General Partner of SDC COMPTON HOUSING, LP, a Texas limited partnership, on behalf of said limited liability company, on behalf of said limited partnership.



Marietta Purchal

Notary Public, State of Texas

STATE OF TEXAS §
 §
COUNTY OF Dallas §

This instrument was acknowledged before me on the 26 day of April 2016, by Joseph N. Agumadu, as a Manager of FIJI TOWNHOMES DEVELOPMENT, LLC, a Texas limited liability company, as the sole General Partner of SDC COMPTON HOUSING, LP, a Texas limited partnership, on behalf of said limited liability company, on behalf of said limited partnership.



Marietta Purchal

Notary Public, State of Texas

IN WITNESS WHEREOF, the undersigned have affixed their signatures hereto to be effective as of the date first above written.

CITY:

APPROVED AS TO FORM:
Warren M.S. Ernst
City Attorney

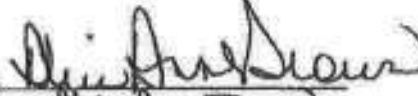
CITY OF DALLAS
A.C. Gonzalez
City Manager

By: _____
Warren M.S. Ernst,
Assistant City Attorney

By: _____
A.C. Gonzalez, City Manager

LENDER:

LEGACYTEXAS BANK

By: 
Name: Alicia Anne Brown
Title: SP

BORROWER:

SDC COMPTON HOUSING, LP,
a Texas limited partnership

By: Fiji Townhomes Development, LLC,
a Texas limited liability company
Its: General Partner

By: _____
Jideofor O. Oji, Manager

By: _____
Joseph N. Agumadu, Manager

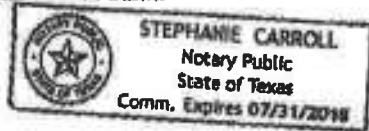
THE STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me on the ____ day of April 2016, by A.C. Gonzalez, City Manager of the City of Dallas, a Texas municipal corporation, on behalf of said municipal corporation.

Notary Public in and for the State of Texas

STATE OF TEXAS §
 §
COUNTY OF TARRANT §

This instrument was acknowledged before me on this 15 day of April 2016, by Alicia Anne Brown, SR of LEGACYTEXAS BANK, on behalf of said bank.



Stephanie Carroll
Notary Public, in and for the State of Texas

STATE OF TEXAS §
 §
COUNTY OF _____ §

This instrument was acknowledged before me on the ____ day of April 2016, by Jideofor O. Oji, as a Manager of FIJI TOWNHOMES DEVELOPMENT, LLC, a Texas limited liability company, as the sole General Partner of SDC COMPTON HOUSING, LP, a Texas limited partnership, on behalf of said limited liability company, on behalf of said limited partnership.

Notary Public, State of Texas

STATE OF TEXAS §
 §
COUNTY OF _____ §

This instrument was acknowledged before me on the ____ day of April 2016, by Joseph N. Agumadu, as a Manager of FIJI TOWNHOMES DEVELOPMENT, LLC, a Texas limited liability company, as the sole General Partner of SDC COMPTON HOUSING, LP, a Texas limited partnership, on behalf of said limited liability company, on behalf of said limited partnership.

Notary Public, State of Texas

EXHIBIT A

The Property

Lots 1 through 23, Block D/5914, and Lots 1 through 26, Block E/5914, of SPHINX AT FIJI PHASE TWO, an Addition to the City of Dallas, Dallas County, Texas, according to the Plat thereof recorded under Instrument No. 201300187389 of the Plat Records of Dallas County, Texas.

**Filed and Recorded
Official Public Records
John F. Warren, County Clerk
Dallas County, TEXAS
04/26/2016 04:26:58 PM
\$62.00
201600111355**



When Recorded, Return To:
City of Dallas Housing Department
DHADC
1500 Marilla 6DN
Dallas, Texas 75201

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

RELEASE OF RIGHT OF REVERTER

THE STATE OF TEXAS §
 §
COUNTY OF DALLAS §

THIS RELEASE OF RIGHT OF REVERTER (this "Agreement") is requested of the **DALLAS HOUSING ACQUISITION AND DEVELOPMENT CORPORATION**, a Texas nonprofit corporation ("DHADC") for that certain lot, tract, or parcel of land lying and being situated in the City and County of Dallas, Texas, and more particularly described on Exhibit "A" attached hereto and made a part hereof for all purposes (the "Property"), by **SDC COMPTON HOUSING, LP**, a Texas limited partnership, ("Owner").

RECITALS:

A. DHADC is the current owner and holder of a right of reverter (the "DHADC Reverter") covering the Property pursuant to that certain that certain Amended and Restated Deed Restrictions dated August 4, 2014, filed for recorded under Instrument No. 201400209601 of the Official Real Property Records of Dallas County, Texas (the "DHADC Restrictions").

B. Pursuant to the DHADC Restrictions, if Owner applies for a construction permit to build Affordable Housing (as defined in the DHADC Restrictions) and closes on any construction financing for improvements on the Property within three (3) years of the effective date of the DHADC Restrictions (collectively, the "Release Conditions"), DHADC will provide Owner with a release of the DHADC Reverter, which release will be in recordable form.

C. Pursuant to the terms of that certain Construction Loan Agreement dated of even date herewith, between, among others, Owner and LEGACYTEXAS BANK ("Lender") (such Construction Loan Agreement, as amended, restated, renewed and extended from time to time being referred to herein as the "Loan Agreement"), Owner has made, executed and delivered to

Lender that certain Revolving Promissory Note (the "Note") dated of even date herewith payable to the order of Lender in the amount of \$2,500,000.00. The Note is secured by, among other things, a Deed of Trust (with Security Agreement and Assignment of Rents) of even date herewith (as renewed, extended and modified from time to time, the "Deed of Trust") executed by, among others, Owner to **MARK WILLIAMSON**, Trustee, dated of even date herewith, to be filed of record in the Official Public Records of Dallas County, Texas, covering the Property.

D. Owner has complied with all of the Release Conditions set forth in the DHADC Restrictions and DHADC now desires to release the DHADC Reverter as to the Property and make certain acknowledgements, stipulations and agreements with respect to the DHADC Restrictions, all as hereinafter set forth.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, DHADC does hereby agree as follows:

1. Acknowledgments, Stipulations and Agreements.

a. DHADC hereby stipulates and agrees that, as of the effective date of this Agreement, (i) the DHADC Restrictions are in full force and effect, (ii) Owner is in compliance with the use regulations set forth in Section 3 of the DHADC Restrictions and all construction timetables and deadlines specified in the DHADC Restrictions, and (iii) no condition currently exists which by itself, or with notice and/or lapse of time, would constitute a default under the DHADC Restrictions.

b. DHADC further stipulates and agrees that it has not executed any prior transfer, assignment, pledge or hypothecation of its rights, title, and/or interest in, to, or under the DHADC Restrictions, including, but not limited to, any right of reverter thereunder.

c. DHADC further stipulates and agrees that, as of the effective date of this Agreement, Owner has satisfied all of the Release Conditions set forth in the DHADC Restrictions

2. Release of DHADC Reverter. DHADC hereby RELEASES AND DISCHARGES the DHADC Reverter and all of the requirements contained in Section 2 of the DHADC Restrictions with respect to the Property.

3. Miscellaneous.

a. This Agreement constitutes the entire agreement of the parties hereto with respect to the subject matter hereof, and supersedes all prior and contemporaneous written or oral agreements. Any amendment hereto must be in writing executed by Owner, Lender and DHADC.

b. This Agreement is governed by the laws of the State of Texas and, where applicable, the laws of the United States of America.

c. This Agreement shall be binding upon and inure to the benefit of each of the parties hereto and their respective successors and assigns.

d. This Agreement shall remain in full force and effect until the Note and any and all indebtedness owing or to become owing to Lender by Owner pursuant to any instruments securing the Note has been fully and finally paid and Owner has no further obligations under the Loan Agreement.

e. This Agreement may be executed in two or more counterparts, and it shall not be necessary that any one counterpart be executed by all of the parties hereto. Each fully or partially executed counterpart shall be deemed an original, but all such counterparts taken together shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the undersigned have affixed their signatures hereto to be effective as of the 22nd day of April 2016.

DHADC:

**DALLAS HOUSING ACQUISITION AND
DEVELOPMENT CORPORATION,**
a Texas nonprofit corporation

Approved As To Form:
WARREN M. S. ERNST,
City Attorney

By: _____

Assistant City Attorney RB

By: _____

Name: Bernadette Mitchell

Title: President

LENDER:

LEGACYTEXAS BANK

By: _____

Name: _____

Title: _____

OWNER:

SDC COMPTON HOUSING, LP,
a Texas limited partnership

By: **FIJI TOWNHOMES DEVELOPMENT, LLC,**
a Texas limited liability company
Its: **General Partner**

By: _____
Jideofor O. Oji, Manager

By: _____
Joseph N. Agumadu, Manager

THE STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me on the 22nd day of April 2016, by BERNADETTE MITCHELL, PRESIDENT of DALLAS HOUSING ACQUISITION AND DEVELOPMENT CORPORATION, a Texas nonprofit corporation, on behalf of said non-profit corporation.



George T. Williams
Notary Public in and for the State of Texas

STATE OF TEXAS §
 §
COUNTY OF _____ §

This instrument was acknowledged before me on this _____ day of April 2016, by _____ of LEGACYTEXAS BANK, on behalf of said bank:

Notary Public, in and for the State of Texas

b. This Agreement is governed by the laws of the State of Texas and, where applicable, the laws of the United States of America.

c. This Agreement shall be binding upon and inure to the benefit of each of the parties hereto and their respective successors and assigns.

d. This Agreement shall remain in full force and effect until the Note and any and all indebtedness owing or to become owing to Lender by Owner pursuant to any instruments securing the Note has been fully and finally paid and Owner has no further obligations under the Loan Agreement.

e. This Agreement may be executed in two or more counterparts, and it shall not be necessary that any one counterpart be executed by all of the parties hereto. Each fully or partially executed counterpart shall be deemed an original, but all such counterparts taken together shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the undersigned have affixed their signatures hereto to be effective as of the 22nd day of April 2016.

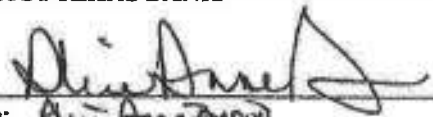
DHADC:

**DALLAS HOUSING ACQUISITION AND
DEVELOPMENT CORPORATION,**
a Texas nonprofit corporation

By: _____
Name: _____
Title: _____

LENDER:

LEGACYTEXAS BANK

By: 
Name: Alicia Anne Boudreau
Title: CEO

OWNER:

SDC COMPTON HOUSING, LP,
a Texas limited partnership

By: **FIJI TOWNHOMES DEVELOPMENT, LLC,**
a Texas limited liability company

Its: **General Partner**

By: _____
Jideofor O. Oji, Manager

By: _____
Joseph N. Agumadu, Manager

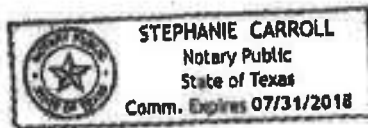
THE STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me on the ____ day of April 2016, by _____ of DALLAS HOUSING ACQUISITION AND DEVELOPMENT CORPORATION, a Texas nonprofit corporation, on behalf of said non-profit corporation.

Notary Public in and for the State of Texas

STATE OF TEXAS §
 §
COUNTY OF TARRANT §

This instrument was acknowledged before me on this 25 day of April 2016, by Alicia Ann Brown, SIF of LEGACYTEXAS BANK, on behalf of said bank.



Stephanie Carroll
Notary Public, in and for the State of Texas

OWNER:

SDC COMPTON HOUSING, LP,
a Texas limited partnership

By: **FIJI TOWNHOMES DEVELOPMENT, LLC,**
a Texas limited liability company

Its: **General Partner**

By: Jideofor O. Oji
Jideofor O. Oji, Manager

By: Joseph N. Agumade
Joseph N. Agumade, Manager

THE STATE OF TEXAS

§
§
§

COUNTY OF DALLAS

This instrument was acknowledged before me on the 25 day of April 2016, by ACQUISITION AND DEVELOPMENT CORPORATION of DALLAS HOUSING, a Texas nonprofit corporation, on behalf of said non-profit corporation.

[Signature]
Notary Public in and for the State of Texas

STATE OF TEXAS

§
§
§

COUNTY OF Tarrant

This instrument was acknowledged before me on this ___ day of April 2016, by _____ of LEGACYTEXAS BANK, on behalf of said bank.

Notary Public, in and for the State of Texas

STATE OF TEXAS §
COUNTY OF Dallas §
§

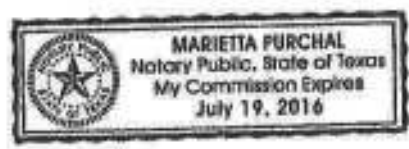
This instrument was acknowledged before me on the 25 day of April 2016, by Jidefor O. Oji, as a Manager of FIJI TOWNHOMES DEVELOPMENT, LLC, a Texas limited liability company, as the sole General Partner of SDC COMPTON HOUSING, LP, a Texas limited partnership, on behalf of said limited liability company, on behalf of said limited partnership.



Marietta Purchal
Notary Public, in and for the State of Texas

STATE OF TEXAS §
COUNTY OF Dallas §
§

This instrument was acknowledged before me on the 25 day of April 2016, by Joseph N. Agumadu, as a Manager of FIJI TOWNHOMES DEVELOPMENT, LLC, a Texas limited liability company, as the sole General Partner of SDC COMPTON HOUSING, LP, a Texas limited partnership, on behalf of said limited liability company, on behalf of said limited partnership.



Marietta Purchal
Notary Public, in and for the State of Texas

EXHIBIT A

The Property

Lots 1 through 23, Block D/5914, and Lots 1 through 26, Block E/5914, of SPHINX AT FIJI PHASE TWO, an Addition to the City of Dallas, Dallas County, Texas, according to the Plat thereof recorded under Instrument No. 201300187389 of the Plat Records of Dallas County, Texas.

**Filed and Recorded
Official Public Records
John F. Warren, County Clerk
Dallas County, TEXAS
04/26/2016 04:26:59 PM
\$58.00
201600111356**

