

DRAFT LOAN AGREEMENT
between the
CORPUS CHRISTI B CORPORATION

and

CORPUS CHRISTI HUNTWICK AVENUE LP
(Whose general partner is, and the sole member of
the general partner is.,)

STATE OF TEXAS §
 §
COUNTY OF NUECES §

This LOAN AGREEMENT (hereinafter "**AGREEMENT**") is hereby made and entered into to be effective as of the date approved by city council of the City of Corpus Christi, by and between the **CORPUS CHRISTI B CORPORATION**, (hereinafter "**B Corporation**"), and **CORPUS CHRISTI HUNTWICK AVENUE LP**, a limited partnership organized under the laws of the State of Texas (hereinafter "**BORROWER**").

The general partner of the BORROWER is, a Texas limited liability company, for which the sole member is, a Texas corporation.

The parties to this Agreement have severally and collectively agreed and by the execution of this Agreement are bound to the mutual obligations and to the performance and accomplishments of the tasks described in this Agreement.

WHEREAS, the general partner of the BORROWER is, a Texas limited liability company, for which the sole member is., a Texas corporation; and

WHEREAS, the Texas Legislature in Section 501 of the Local Government Code (Development Corporation Act of 1979) empowered local communities with the ability to

adopt an optional local sales and use tax as a means of improving the economic health and prosperity of their citizens; and

WHEREAS, on November 8, 2016, residents of the City passed Proposition 1 , Adopt Type B Sales Tax to Replace Expiring Portion of Type A Sales Tax, which authorized the adoption of a sales and use tax to be administered by a Type B Corporation at the rate of one-eighth of one percent to be imposed for 20 years with use of the proceeds for (1) 50% to the promotion and development of new and expanded enterprises to the full extent allowed by Texas law, (2) \$500,000 annually for affordable housing, and (3) the balance of the proceeds for the construction, maintenance and repair of arterial and collector streets and roads; and

WHEREAS, the 1/8th cent sales tax authorized by passage of Proposition 1 was subsequently enacted by the City Council and filed with the State Comptroller of Texas, effective April 1, 2018, to be administered by the Corpus Christi B Corporation Board; and

WHEREAS, Section 501.073 of the Act requires the City Council to approve all programs and expenditures of the Corporation; and

WHEREAS, the Board wishes to fund affordable housing projects in an effective manner, and the Developer has proposed to develop new affordable housing units in the City; and

WHEREAS, the Board has determined that it is in the best interest of the residents of the City that the Developer be loaned affordable housing funds, by execution of this Agreement, to accomplish the affordable housing project described in the Scope of Work, which is attached hereto as Exhibit A and incorporated herein by reference as if laid out here in its entirety and the Board has determined that such a development is required or suitable for the promotion of development and expansion of affordable housing under Texas Local Government Code Section 505.153 ; and

WHEREAS, the Corpus Christi B Corporation has adopted a budget for such funds and has included therein the expenditure of affordable housing funds in the form of a subsidy loan with 3% simple interest for a 40-year term with payments amortized over 40 years and paid from available net cash flow (hereinafter "**Loan**") to BORROWER for the construction of a residential senior citizen affordable housing apartment project entitled, "Palo Verde Senior Apartments" (hereinafter "**Project**"); and

WHEREAS, the Corpus Christi B Corporation wishes to make the Loan to BORROWER in connection with the construction of the Affordable Housing Project; and such Loan to be secured by, among other things, the Loan Agreement, Promissory Note, Deed of Trust and Deed Covenant, filed of record against the Property.

NOW THEREFORE, the parties hereto severally and collectively agree, and by the execution hereof are bound, to the mutual obligations herein contained and to the performance and accomplishment of the tasks hereinafter described:

I. TERM

1.1 This Agreement commences on the effective date on which the City Council grants approval to the Corporation for this Project, and terminates on the Maturity Date, with terms of repayment set forth in the Promissory Note which shall be executed by BORROWER.

1.2 BORROWER shall construct a multifamily dwelling for a qualified low-income housing project for senior citizens; and obtain a certificate of occupancy for such dwelling within three years from the effective date of this agreement. In this context, a qualified low-income housing project is defined under 26 U.S.C.S. §42(g).

II. SCOPE OF PROJECT TO BE CONSTRUCTED BY BORROWER

2.1 Borrower shall construct an 80-unit housing development for senior citizens in the City of Corpus Christi, Texas called "Palo Verde Senior Apartments". The Project will consist of the construction of 75 affordable multi-family housing units which will be leased exclusively to senior citizens at or below 60% of the average median income for Nueces County, as those figures are updated by HUD annually and adjusted for family size. Type B affordable housing loan funds provided under this Agreement will be utilized for the construction of the affordable housing units for rentals to senior citizens. Designation of the affordable housing units shall be as follows:

56 (600 sq ft) one-bedroom units; and
39 (850 sq ft) two-bedroom units.

III. PRINCIPAL AMOUNT, INTEREST AND TERMS OF LOAN PAYMENT

3.1 The Corpus Christi B Corporation shall grant a subsidiary loan to BORROWER in the amount of **\$1,000,000.00** for the construction of Palo Verde Senior Apartments an 80-unit senior citizen development in the City of Corpus Christi, Texas as described in Exhibit A. The loan amount shall be disbursed to BORROWER at the time of loan closing, and after BORROWER executes all loan documentation. The B Corporation has adopted a budget for such affordable housing funds, and has included therein the expenditure of affordable housing funds for this project in the form of a subsidy loan not to exceed \$1,000,000.00, with 3% interest for a 40-year term with payments amortized over 40 years and paid from fifty percent (50%) of available net cash flow. The Corporation's loan subsidy shall be secured with a loan agreement and other instruments that may include, but are not limited to a promissory note, deed of trust, and deed covenant.

IV. REPRESENTATIVES

4.1 Unless written notification by BORROWER to the contrary is received and approved by Corporation and City, the President of, shall be BORROWER's designated representative responsible for the management of all contractual matters pertaining to this AGREEMENT.

4.2 The City Manager, or his designee, shall be CITY'S designated representative responsible for the management of all contractual matters pertaining to this AGREEMENT.

4.3 Communications between CORPUS CHRISTI TYPE B CORPORATION and BORROWER shall be directed to the designated representatives of each as set forth in paragraphs numbered 4.1 and 4.2 hereinabove.

V. BORROWER'S WARRANTIES AND REPRESENTATIONS

5.1 Responsibility. BORROWER shall be solely responsible for all aspects of BORROWER's business and conduct in connection with the construction of the Affordable Housing Project, including without limitation:

- (A) The quality and suitability of the Plans;
- (B) Supervision of the construction of the Improvements;
- (C) The qualifications, financial condition and performance of all architects, engineers, contractors, subcontractors, material suppliers, consultants, and property managers;
- (D) Conformance of construction of the Improvements to all Legal Requirements and to the requirements of this Agreement; and
- (E) The quality and suitability of all materials and workmanship.
- (F) The performance of the Project, of all services and activities set forth in this AGREEMENT, and adherence to all federal, state and local laws.

5.2 President Authority. BORROWER represents, warrants, assures and guarantees that the individual, herein the President of CORPUS CHRISTI HUNTWICK AVENUE LP, executing this AGREEMENT has full legal authority to execute this AGREEMENT on behalf of BORROWER , as applicable, and to bind BORROWER, as applicable, to all terms, performances and provisions herein contained.

5.3 Claims. BORROWER warrants that there are no claims, demands, suits, proceedings, causes of action or other actions (hereinafter collectively referred to as "**claims**") of a material nature pending or, to the knowledge of BORROWER, threatened against or affecting BORROWER or the Property, or involving the validity or enforceability of the Deed of Trust or the priority of the liens and security interests created therein; and no event has occurred (including specifically BORROWER's execution of the respective Loan Documents, and Borrower's consummation of the Loan) which will violate, be in conflict with, result in the breach of or constitute (with due notice or lapse of time, or both) a default under any Legal Requirement or result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever on the Property other than the liens and security interests created by or expressly permitted under the Loan Documents.

5.4 Notice of Claims. In the event that any material claims are made or brought against BORROWER or the Property, BORROWER shall give written notice thereof to CITY within ten (10) business days after itself being notified. BORROWER's notice to CITY shall state the date BORROWER received written notice of the claim; the names and addresses of those instituting or threatening to institute the claim, the basis of the claim; and the name(s) of any others against whom the claim is being made or threatened. Written notice pursuant to this Article shall be delivered in accordance with the terms of Section 38.2 of this AGREEMENT.

5.5 Warranty of Agreement. BORROWER warrants it shall manage, perform and provide all of the activities and services required under this AGREEMENT. The funds available for utilization hereunder shall be expended only in accordance with the terms of this AGREEMENT. BORROWER shall submit a Project budget and construction schedule ("**Construction Schedule**") within ten (10) days of start of construction activities to the Corpus Christi B Corporation, and shall submit written quarterly status reports thereafter as described below in Section 8.1 (D).

5.6 BORROWER an Independent Contractor. BORROWER warrants and agrees that BORROWER is and shall be deemed to be an independent contractor and operator responsible to all parties for its respective acts or omissions, and that CITY shall in no way be responsible therefore.

VI. DRAW REQUEST

6.1 CITY will deliver funding to BORROWER, to be used by BORROWER to construct the Project, up to \$1,000,000.00, upon request of the BORROWER at loan closing; and the Corpus Christi B Corporation's loan contribution shall be secured with a promissory note, deed of trust, and deed of covenant.

VII. CONFLICT OF INTEREST

7.1 BORROWER covenants that neither it nor any member of its governing body or of its staff presently has any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this AGREEMENT. BORROWER further covenants that in the performance of this AGREEMENT, no persons having such interest shall be employed or appointed as a member of its governing body or of its staff.

7.2 BORROWER further covenants that no member of its governing body or of its staff shall possess any interest in, or use their position for, a purpose that is or gives the appearance of being motivated by desire for private gain for themselves or others, particularly those with which they have family, business, or other ties.

7.3 No member of CORPUS CHRISTI B CORPORATION OR CITY's governing body or of its staff who exercises any function or responsibility in the review or approval of the undertaking or carrying out of this AGREEMENT shall:

- (A) Participate in any decision relating to this AGREEMENT, which may affect his or her personal interest or the interest of any corporation, partnership, or association in which he or she has a direct or indirect interest; or
- (B) Have any direct or indirect interest in this AGREEMENT or the proceeds thereof.

VIII. RECORDS AND REPORTS, and MONITORING AND INSPECTION

8.1 Records and Reports.

(A) Any and all information, reports, papers and other data (including, without limitation, any and all balance sheets, statements of income or loss, reconciliation of surplus and financial data of any other kind) heretofore furnished, or to be furnished, to CITY by or on behalf of BORROWER are, or when delivered will be, true and correct in all material respects; all financial data has been, or when delivered will have been, prepared in accordance with generally accepted accounting principles consistently applied and fully and accurately present, or will present, the financial condition of the subjects thereof as of the dates thereof; and, with respect to the financial data heretofore furnished, no materially adverse change has occurred in the financial condition reflected therein since the dates thereof.

(B) Maintenance of records shall be in compliance with all terms, provisions and requirements of this Agreement and with all applicable federal and state regulations establishing standards for financial management; and the record system shall contain sufficient documentation to provide in detail full support of each expenditure. BORROWER agrees to retain, for the period of time and under the conditions specified in writing by CITY, all books, records, documents, reports, and written accounting policies

and procedures pertaining to the Project and expenditures of funds under this Agreement, and as in accordance with 24 CFR 92.508(c)(1)(4).

(C) At any reasonable time and as often as CITY may deem necessary in its reasonable determination, BORROWER shall make all of its records available to CITY, CORPUS CHRISTI B CORPORATION, HUD, or any of their agents or authorized representatives, and shall permit CITY, CORPUS CHRISTI B CORPORATION, HUD, or any of their agents or authorized representatives to audit, examine, and make excerpts and/or copies of same. BORROWER's records shall include, but shall not be limited to, the following: books, records, accounting data and other documents of Borrower that relate in any way to the Property, including without limiting the generality of the foregoing, all permits, licenses, consents and approvals of all Governmental Authorities having jurisdiction over Borrower or the Property.

(D) Quarterly performance records and reports shall be submitted to CITY by BORROWER on or before the fifteenth (15th) calendar day of January, April, July and October, with each report reflecting the previous quarter. During construction of the Project, the quarterly report shall contain details related to construction progress. Following completion of the Project, such report shall contain details related to the financial performance (including leasing activity and an income statement regarding the Project). The form of such report must meet the approval of CITY, and BORROWER agrees to make any and all changes to such form as may be recommended by CITY, as well as provide additional information in connection with such reports as may be requested by CITY, both in CITY's reasonable determination.

8.2 Monitoring and Inspection.

(A) CITY, through its officers, agents or employees, shall, with reasonable prior notice delivered to Borrower, have the right to enter upon the Property and perform on-site monitoring and inspection to determine that Borrower's performance is in conformity with the Plans and all the requirements of the AGREEMENT during regular business hours.

(B) It is expressly understood and agreed that CITY shall have no duty to supervise or to inspect the construction activities or any books and records, and that any such inspection shall be for the sole purpose of determining whether or not the obligations of BORROWER are being properly discharged and in preserving CITY's rights under this Agreement. If CITY or its agent, acting on its behalf, inspects the construction activities or any books and records, CITY shall have no liability or obligation to BORROWER or any third party arising out of such inspection. CITY's failure to inspect the construction activities or any part thereof or any books and records shall not constitute a waiver of any of CITY's rights hereunder. Neither BORROWER nor any third party shall be entitled to rely upon any such inspection or review.

IX. INDEMNIFICATION

9.1 BORROWER covenants and agrees to FULLY INDEMNIFY and HOLD HARMLESS, CORPUS CHRISTI B CORPORATION AND CITY and its elected officials, employees, officers, directors, volunteers, agents and representatives individually or collectively, from and against any and all costs, claims, liens, damages, losses, expenses, fees, fines, penalties, proceedings, actions, demands, causes of action, liability and suits of any kind and nature, including but not limited to, personal or bodily injury, death and property damage, made upon CORPUS CHRISTI B CORPORATION and CITY, directly or indirectly arising out of, resulting from or related to BORROWER's activities under this AGREEMENT, including any acts or omissions of BORROWER, any agent, officer, director, representative, employee, consultant, contractor or subcontractor of BORROWER, and their respective officers, agents, employees, directors and representatives while in the exercise or performance of the rights or duties under this AGREEMENT, all without, however, waiving any governmental immunity available to CORPUS CHRISTI B CORPORATION and CITY under Texas law and without waiving any defenses of the parties under Texas law. IT IS FURTHER COVENANTED AND AGREED THAT SUCH INDEMNITY SHALL APPLY EVEN WHERE SUCH COSTS, CLAIMS, LIENS, DAMAGES, LOSSES, EXPENSES, FEES, FINES, PENALTIES, ACTIONS, DEMANDS, CAUSES OF ACTION, LIABILITY AND/OR SUITS ARISE IN ANY PART FROM THE NEGLIGENCE OF CITY, AND ITS ELECTED OFFICIALS, EMPLOYEES, OFFICERS, DIRECTORS, VOLUNTEERS, AGENTS, AND REPRESENTATIVES, UNDER THIS AGREEMENT. The provisions of this INDEMNIFICATION are solely for the benefit of the parties hereto and not intended to create or grant any rights, contractual or otherwise, to any other person or entity not mentioned herein. BORROWER shall promptly advise CORPUS CHRISTI B CORPORATION and CITY in writing of any claim or demand against CORPUS CHRISTI B CORPORATION or CITY or BORROWER known to BORROWER related to or arising out of BORROWER's activities under this AGREEMENT and shall see to the investigation and defense of such claim or demand at BORROWER's cost. CORPUS CHRISTI B CORPORATION and CITY shall have the right, at its option and at its own expense, to participate in such defense without relieving BORROWER of any of its obligations under this paragraph.

X. PUBLICITY AND PUBLICATIONS

10.1 In any news release, sign, (other than permanent signage on the Property), brochure, or other advertising medium disseminating information prepared or distributed by or for BORROWER, mention shall be made of both Corpus Christi B Corporation and HUD funded CITY participation having made the Project possible.

10.2 BORROWER will have affirmative marketing procedures to market units to persons in the housing market area without regard to race, color, national origin, sex, religion, familial status, or disability.

XI. DEFAULT, NOTICE AND CURE

11.1 Notwithstanding anything to the contrary set forth herein or in any of the other Loan Documents, if CORPUS CHRISTI B CORPORATION has determined that BORROWER has failed to comply with any of the terms and/or conditions of this AGREEMENT and/or any of the terms of any of the other Loan Documents, CORPUS CHRISTI B CORPORATION shall deliver notice thereof to BORROWER and BORROWER's limited partner of such determination, and BORROWER and BORROWER's limited partner shall have (a) a minimum of ten (10) days to cure monetary violations or defaults, and (b) a minimum of thirty (30) days to cure non-monetary violations or defaults (or such longer period as may be set forth herein or in any of the other Loan Documents) prior to enforcing any of its remedies set forth herein or in any of the other Loan Documents. CORPUS CHRISTI B CORPORATION hereby agrees that any cure of any default made or offered by any of BORROWER'S limited partners or any affiliate of any of BORROWER'S limited partners or their respective successors or assigns shall be deemed to be a cure by BORROWER and shall be accepted or rejected on the same basis as if made or tendered by BORROWER.

11.2 If BORROWER does not commence construction of the project described in Exhibit A within three (3) years from the date of execution of this agreement, BORROWER shall be in default of the terms of this agreement and the CORPUS CHRISTI B CORPORATION shall deliver notice thereof to BORROWER and BORROWER's limited partner of such determination, and shall proceed with legal recourse as stated in the Promissory Note and Deed of Trust. Upon reasonable determination by CORPUS CHRISTI B CORPORATION and CITY of BORROWER's failure to timely and properly perform pursuant to the provisions of this AGREEMENT beyond any applicable notice and cure period, Corporation B and/or City, at its discretion, may proceed with legal recourse as stated in the Promissory Note and Deed of Trust.

XII. TERMINATION

12.1 "Termination" of this AGREEMENT shall mean termination by expiration of the AGREEMENT term or earlier termination pursuant to any of the provisions hereof.

12.2 CORPUS CHRISTI B CORPORATION, CITY may terminate this AGREEMENT and exercise its legal recourse under the Promissory Note, Deed of Trust, Deed Reversion, and Deed Covenant for any of the following reasons:

- (A) Neglect or failure by BORROWER to perform or observe any of the terms, conditions, covenants or guarantees of 1) this AGREEMENT, 2) any of the other Loan Documents, or 3) failure to construct project within three (3) years from execution of this Agreement;

(B) Appointment of a trustee, receiver or liquidator for all or a material part of BORROWER's Property, or institution of bankruptcy, reorganization, rearrangement of or liquidation proceedings by or against BORROWER, and the same is not dismissed within ninety (90) days;

(C) The entry by a court of competent jurisdiction of a final order providing for the modification or alteration of the rights of BORROWER's creditors;

(D) Inability by BORROWER to conform to changes in local, state and federal rules, regulations and laws as required under this AGREEMENT and all Legal Requirements, which inability has or is reasonably expected to have a material adverse effect on the Project, within thirty (30) after receipt of notice from CITY of BORROWER's failure to conform; and

12.3 Upon receipt of notice to terminate in accordance with the terms of this Agreement, BORROWER shall cancel, withdraw, or otherwise terminate any and all outstanding orders and subcontracts, which relate to the performance of this AGREEMENT. To this effect, CORPUS CHRISTI B CORPORATION, CITY shall not be liable to BORROWER or BORROWER's creditors for any expense, encumbrances or obligations whatsoever incurred after the date of termination or which was not canceled, withdrawn or otherwise terminated by BORROWER in accordance with the provisions of this paragraph.

12.4 Any termination of this AGREEMENT as herein provided shall not relieve BORROWER from the payment of any sum(s) that shall then be due and payable or become due and payable to CORPUS CHRISTI B CORPORATION and CITY hereunder or as provided for at law or in equity, or any claim for damages then or theretofore accruing against BORROWER hereunder or by law or in equity, and any such termination shall not prevent CORPUS CHRISTI B CORPORATION and CITY from enforcing the payment of any such sum(s) or claim for damages from BORROWER. Instead, all rights, options, and remedies of CORPUS CHRISTI B CORPORATION and CITY contained in this AGREEMENT shall be construed and held to be cumulative and no one of them shall be exclusive of the other, and CORPUS CHRISTI B CORPORATION and CITY shall have the right to pursue any one or all of such remedies or any such other remedy or relief which may be provided by law or in equity whether or not stated in this AGREEMENT.

12.5 Should this AGREEMENT be terminated by either party hereto for any reason permitted by the terms of this Agreement, if the work required hereunder of BORROWER is not fully completed to the reasonable satisfaction of CORPUS CHRISTI B CORPORATION and CITY in accordance with the terms of this AGREEMENT, BORROWER shall refund any and all sums of money paid by CORPUS CHRISTI B CORPORATION to BORROWER within ten (10) business days of CORPUS CHRISTI B CORPORATION, CITY 's written request therefor.

12.6 Upon termination of this AGREEMENT by CORPUS CHRISTI B CORPORATION and CITY, BORROWER shall be barred from future contracts with CITY absent the express written consent of the City Manager, or his authorized designee to contract with CITY.

XIII. SPECIAL CONDITIONS

13.1 Federal Drug Free Workplace Act. Borrower shall comply with the Federal Drug Free Workplace Act of 1988 and the regulations promulgated thereunder including, without limitation, 2 CFR Part 182.

13.2 National Flood Protection Act. The Improvements will be constructed in compliance with elevation requirements that meet or exceed the National Flood Protection Act, and any local requirements.

13.3 Byrd Amendment: Prohibition for Influencing Federal Entities. To the best of Borrower's knowledge, Borrower has complied with all restrictions, certifications and disclosure requirements contained in the Byrd Amendment to the fiscal 1990 appropriations measures for the United States Department of the Interior (P.L. 101-121) and any guidelines and rules issued by any federal entity in connection therewith, if applicable.

13.4 Procurement. BORROWER shall ensure that all professional and contractual services in connection with Project implementation shall be procured in accordance with 24 CFR 570, 2 CFR 200, The Common Rule, Procurement, Competitive Standards and all other federal laws and regulations to the extent applicable to the Project.

13.5 Davis-Bacon. BORROWER understands and agrees that Davis-Bacon Wage and Hour Requirements shall apply to HOME funded projects when, in accordance with 24 CFR 92.354, twelve (12) or more units are rehabilitated or newly constructed. CITY acknowledges that this Project has less than twelve (12) HOME assisted units and these requirements are not applicable in this instance.

13.6 Project Completion Report. BORROWER shall accurately complete a Project Completion Report (HUD form 40097) upon completion of each Project activity, and forward the original completed form to CITY within ninety (90) calendar days after BORROWER's receipt of the final remittance of AGREEMENT funds by CITY for such Project activity. BORROWER understands and acknowledges that new Project Set-up Reports will not be processed by CITY if there are any outstanding Project Completion Reports due.

13.7 Local Vendors. To the greatest extent feasible, agreements for work to be performed in connection with this Project shall be awarded to business concerns including, but not limited to, individuals or firms doing business in the field of planning, consulting, design, architecture, building construction, maintenance, or repair, that are located in or owned in substantial part by persons residing in the same metropolitan area or non-metropolitan county as this Project.

13.8 Tenant Selection Policy. BORROWER shall adopt written tenant selection policies and criteria, such as a written waiting list, as required by 24 CFR 92.253(d).

13.9 Rent Limitations. BORROWER understands that the rents for HOME-assisted rental housing units are restricted by the Rent Standard established in 24 CFR 92.252 (a)(1). The standard establishes one set of maximum HOME Program Rents for HOME-assisted units occupied by low-income households and another set for units occupied by very low-income households.

13.10 Management. BORROWER shall contract a management company so as to operate and manage the Property upon completion of construction phase. The management contract shall be for no less than 12 (twelve) months. The management company must have at least one-year experience in managing a Section 8 property. BORROWER shall provide a copy of said management contract upon execution. Said contract shall outline all HUD occupancy requirements (§92.203(a)(1)(i) and §92.203(a)(1)(ii) & §92.252(h)) and rent limits (24 CFR 92.252). CITY hereby approves of Wedge Management, Inc., to serve as the management company, and CITY has reviewed and approved of the Property Management Agreement between BORROWER and Wedge Management, Inc.

13.11 Tenant Participation Plan. BORROWER shall create and follow a tenant participation plan as required in 24 CFR 92.303.

13.12 Unified Rule for Tenant-Based Assistance. BORROWER shall not discriminate against any certificate or voucher holder in accordance to 24 CFR Part 982, Section 8 Tenant Based Assistance: Unified Rule for Tenant-Based Assistance under the Section 8 Rental Certificate Program and the Section 8 Rental Voucher Program or to the holder of a comparable document evidencing participation in a HOME tenant-based rental assistance program.

13.13 Rent Increase Notices. BORROWER understands and agrees that any increase in rents for HOME assisted units is subject to the provisions of outstanding leases, and in any event, BORROWER shall provide tenants of those units not less than thirty (30) days prior written notice before implementing any increase in rents.

13.14 Income Determination. BORROWER understands and agrees that the income of each tenant of a HOME assisted unit shall be determined initially in accordance with 24 CFR 92.203(a)(1)(i). BORROWER shall annually re-examine each such tenant's annual income during the period of affordability in accordance with one of the options in 24 CFR 92.203.

13.15 Temporary Noncompliance. BORROWER shall ensure that HOME assisted units continue to qualify as affordable housing despite a temporary noncompliance caused by increases in the incomes of existing tenants if actions satisfactory to CITY are being taken to ensure that all vacancies are filled in accordance with 24 CFR 92.252 until the noncompliance is corrected.

13.16 Adjusted Income Limitations. BORROWER shall ensure that tenants of HOME assisted units who no longer qualify as low-income families must pay, as rent, the lesser of the amount payable by the tenant under State or local law or thirty percent (30%) of the family's adjusted income, except that tenants of HOME assisted units that have been allocated low-income housing tax credits by a housing credit agency pursuant to Section 42 of the Internal Revenue Code of 1986 (26 U.S.C. 42) must pay rent governed by Section 42.

13.17 No Undocumented Workers Clause. BORROWER agrees that it will not knowingly employ an undocumented worker for project.

XIV. CHANGES, AMENDMENTS AND ASSIGNMENT

14.1 Except when the terms of this AGREEMENT expressly provide otherwise, any alterations, additions, or deletions to the terms hereof shall be by amendment in writing executed by authorized representatives of both CORPUS CHRISTI B CORPORATION and BORROWER.

14.2 It is understood and agreed by the parties hereto that changes in local, state and federal rules, regulations or laws applicable hereto may occur during the term of this AGREEMENT and that any such changes shall be automatically incorporated into this AGREEMENT without written amendment hereto, and shall become a part hereof as of the effective date of the rule, regulation or law.

14.3 BORROWER further agrees to notify CORPUS CHRISTI B CORPORATION and CITY of any changes in its general partner, such notice to be provided within five (5) business days of the change.

14.5 Except as provided for in the BORROWER's formation documents, BORROWER shall not transfer, pledge or otherwise assign this AGREEMENT, any interest in and to same, or any claim arising thereunder, without first procuring the written approval of CORPUS CHRISTI B CORPORATION and City. Any attempt at transfer, pledge or other assignment shall be void *ab initio* and shall confer no rights upon any third person.

XV. NON-WAIVER OF PERFORMANCE

15.1 No waiver by CORPUS CHRISTI B CORPORATION, CITY of a breach of any of the terms, conditions, covenants or guarantees of this AGREEMENT shall be construed or held to be a waiver of any succeeding or preceding breach of the same or any other term, condition, covenant or guarantee herein contained. Further, any failure of CORPUS CHRISTI B CORPORATION, CITY to insist in any one or more cases upon the strict performance of any of the covenants of this AGREEMENT, or to exercise any option herein contained, shall in no event be construed as a waiver or relinquishment for the future of such covenant or option. In fact, no waiver, change, modification or discharge by either party hereto of any provision of this AGREEMENT shall be deemed to have been made or shall be effective unless expressed in writing and signed by the party to be charged.

15.2 No act or omission of CORPUS CHRISTI B CORPORATION, CITY shall in any manner impair or prejudice any right, power, privilege, or remedy available to CORPUS CHRISTI B CORPORATION, CITY hereunder or by law or in equity, such rights, powers, privileges, or remedies to be always specifically preserved hereby.

XVI. TEXAS LAW TO APPLY

16.1 THIS AGREEMENT SHALL BE CONSTRUED UNDER AND IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, WITHOUT GIVING EFFECT TO ANY CHOICE OF LAW OR CONFLICT OF LAW PRINCIPALS OR RULES, AND ALL OBLIGATIONS OF THE PARTIES CREATED HEREUNDER ARE PERFORMABLE FOR VENUE IN NUECES COUNTY, TEXAS.

XVII. SEVERABILITY OF PROVISIONS

17.1 If any clause or provision of this AGREEMENT is held invalid, illegal or unenforceable under present or future federal, state or local laws, including but not limited to the CITY's City Charter, CITY's City Code, or ordinances of the City of Corpus Christi, Texas, then and in that event it is the intention of the parties hereto that such invalidity, illegality or unenforceability shall not affect any other clause or provision hereof and that the remainder of this AGREEMENT shall be construed as if such invalid, illegal or unenforceable clause or provision was never contained herein; it is also the intention of the parties hereto that in lieu of each clause or provision of this AGREEMENT that is invalid, illegal, or unenforceable, there be added as a part of the AGREEMENT a clause or provision as similar in terms to such invalid, illegal or unenforceable clause or provision as may be possible, legal, valid and enforceable.

XVIII.

18.1 Force Majeure. Notwithstanding anything to the contrary herein set forth, an equitable adjustment shall be made for delay or failure in performing hereunder if such delay or failure is

caused, prevented, or restricted by conditions beyond the reasonable control of the party that was to perform (a "**Force Majeure Event**"). A Force Majeure Event shall include, but not be limited to: acts of God; fire, explosion; vandalism; storm or similar occurrences; orders or acts of military authority; litigation; changes in law, rules or regulations outside the control of the affected party; national emergencies or insurrections; riots; acts of terrorism; supplier failures; or shortages. Any party claiming a Force Majeure Event shall notify the other parties to this Agreement in writing within thirty (30) of the start of the Force Majeure Event, otherwise the party waives their right to claim a Force Majeure Event.

XIX. NOTICES

19.1 **Notices.** All notices demands, requests or other communications required or permitted to be given pursuant to the provisions of this Agreement shall be in writing and shall be considered properly given if mailed by first class United States mail, postage prepaid, registered or certified with return receipt requested, or by depositing same with Federal Express or another reputable private courier service for next business day delivery or by delivering same in person to the intended addressee All notices, demands and requests shall be effective upon such personal delivery, or one (1) business day after being deposited with the private courier service, or three (3) business days after deposit in the custody of the U.S. Postal Service. Rejection or other refusal to accept or the inability to deliver because of changed address of which no notice was given as herein required shall be deemed to be receipt of the notice, demand or request sent. For purposes of notice, the addressee of the parties shall be as follows:

| | |
|------------|---|
| To Lender: | City of Corpus Christi P.O. Box 9277 Corpus Christi, Texas 78469-9277 Attention: CITY MANAGER Fax: 361-826-1740 |
|------------|---|

| | |
|--------------|--------------------------------------|
| To Borrower: | CORPUS CHRISTI HUNTWICK AVENUE LP |
|--------------|--------------------------------------|

With a copy to:

With a copy to:

Any 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 twenty (20) days' notice to the other party in the manner set forth herein.

XX. BINDING ENTIRE AGREEMENT

20.1 This AGREEMENT shall be binding on and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors and assigns, except as otherwise expressly provided herein.

20.2 This AGREEMENT constitutes the final and entire agreement between the parties hereto and contains all of the terms and conditions agreed upon. No other agreements, oral or otherwise, regarding the subject matter of this AGREEMENT shall be deemed to exist or to bind the parties hereto unless same is in writing, dated subsequent to the date hereof, and duly executed by the parties.

[Executed on the following pages]

Executed in duplicate originals to be effective as of the date first set forth above.

ATTEST:

CORPUS CHRISTI B CORPORATION:

Name: Rebecca Huerta
City Secretary

Name: Diana Summers,
President

ACKNOWLEDGMENT

STATE OF TEXAS §
 §
COUNTY OF NUECES §

KNOW ALL BY THESE PRESENTS:

This instrument was acknowledged before me on this ____ day of _____, 2025 by Diana Summers, President of CORPUS CHRISTI B CORPORATION for the **CITY OF CORPUS CHRISTI, TEXAS**, a home-rule municipal corporation, on behalf of said municipal corporation.

[S E A L]

Notary Public, State of Texas

APPROVED AS TO FORM:

THIS _____ DAY OF _____ 2025

By: _____
Name: Jacqueline S. Bazan
Assistant City Attorney

BORROWER:

CORPUS CHRISTI HUNTWICK AVENUE LP,
a Texas limited partnership

By: _____

President

STATE OF TEXAS §
 §
COUNTY OF BEXAR §

This instrument was acknowledged before me on this ____ day of _____,
2025, by, President of, a Texas limited partnership, on behalf of.

[S E A L]

Notary Public, State of Texas