

**LOAN AGREEMENT
between the**

CORPUS CHRISTI B CORPORATION

and

TG 110 PALMS AT MORRIS, LP

(Whose general partner is TG 110 Palms at Morris GP, LLC, and the sole member of
the general partner is TG 110, Inc., a Community Housing Development Organization (CHDO)
acting in the capacity of a Sponsor)

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 (the "**City**"), by and between the **CORPUS CHRISTI B CORPORATION**, (hereinafter "**B Corporation**" or "**Corporation**"), and **TG 110 PALMS AT MORRIS, LP**, a Texas limited partnership organized under the laws of the State of Texas (hereinafter "**BORROWER**").

The general partner of the BORROWER is **TG 110 Palms at Morris GP, LLC**, a Texas limited liability company, for which the sole member is **TG 110, Inc.**, a Texas nonprofit corporation and a CHDO acting in the capacity of a Sponsor.

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 **TG 110 Palms at Morris GP, LLC**, a Texas limited liability company, for which the sole member is **TG 110, Inc.**, a Texas nonprofit corporation and a CHDO acting in the capacity of a Sponsor, any partnership agreement between said entities must provide that it does not permit the CHDO or its subsidiary to be removed as sole general partner or sole managing member, whichever is applicable, except for cause. If the partnership agreement permits removal of the CHDO or its subsidiary for cause, it must also stipulate that the new sole general partner or managing member, whichever applicable, can only be another CHDO; 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, "Palms at Morris" (hereinafter "**Project**" or "**Affordable Housing Project**" or "**Property**"); 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 (as defined in the Promissory Note), 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. §42(g).

II. SCOPE OF PROJECT TO BE CONSTRUCTED BY BORROWER

2.1 Borrower shall construct a 72-unit affordable housing development for senior citizens in the City of Corpus Christi, Texas called "The Palms at Morris". The Project will consist of the construction of 72 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 (656 sq ft) one-bedroom units; and
16 (899 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 **\$1,160,100.00** for the construction of the Palms at Morris 72-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 \$1,160,100.00, 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 Executive Director of TG 110, Inc. 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 and specifications for the construction of the Project (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 applicable federal, state and local laws.

5.2 **Executive Director Authority.** BORROWER represents, warrants, assures and guarantees that the individual, herein the Executive Director of TG 110, Inc., , 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 \$1,160,100.00, upon request of the BORROWER at loan closing; and the Corpus Christi B Corporation's loan 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 COPORATION, HUD, or any of their agents or authorized representatives, and shall permit CITY, CORPUS CHRIST 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. CITY and CORPUS CHRISTI B CORPORATION agree to accept copies of monthly reports submitted to the senior lender, the Texas Department of Housing and Community Affairs, or Borrower's investor limited partner in satisfaction of this requirement.

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.

9.2 It is the EXPRESS INTENT of the parties to this AGREEMENT that the INDEMNITY provided for in this Article is an INDEMNITY extended by BORROWER to INDEMNIFY, PROTECT, and HOLD HARMLESS CITY and CORPUS CHRISTI B CORPORATION from the consequences of the CITY's and CORPUS CHRISTI B CORPORATION'S OWN NEGLIGENCE, provided however, that the INDEMNITY provided for in this Article SHALL APPLY only when the NEGLIGENT ACT of CITY or CORPUS CHRISTI B CORPORATION is a CONTRIBUTORY OR CONCURRENT CAUSE of the resultant injury, death, or damage, and shall have no application when the negligent act of CITY or CORPUS CHRISTI B CORPORATION (or any of their respective elected officials, employees, officers, directors, volunteers, agents, and representatives) is the sole cause of the resultant injury, death or damage, or is the result of CITY's or CORPUS CHRISTI B CORPORATION'S (or any of their respective elected officials, employees, officers, directors, volunteers, agents, and representatives) gross negligence and/or willful misconduct. BORROWER further AGREES TO

DEFEND, AT ITS OWN EXPENSE and ON BEHALF OF CITY AND CORPUS CHRISTI B CORPORATION AND IN THE NAME OF CITY AND CORPUS CHRISTI B CORPORATION, any claim or litigation brought against CITY OR CORPUS CHRISTI B CORPORATION OR THE CITY'S OR CORPUS CHRISTI B CORPORATION'S elected officials, employees, officers, directors, volunteers, agents, and representatives, in connection with any such injury, death, or damage for which this INDEMNITY shall apply, as set forth above.

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 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 pursuant to paragraph 12.2(A) hereof, 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 certificates of occupancy for the Project. 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 Affordable Housing Project. This Agreement between the BORROWER and the CITY is executed to implement the promotion and development of the Project. In performance of the Agreement, BORROWER will:

Construct affordable housing rental units. The Project must be an affordable housing project, as described by 42 U.S.C. Section 12745, and must contain 72 units available to qualified individuals. The Project must comply with all requirements of 42 U.S.C. Section 12745, including environmental building standards.

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

14.6 BORROWER, CITY, and CORPUS CHRISTI B CORPORATION acknowledge that BORROWER is also obtaining a loan (the "**HOME Loan**") from the CITY through funds from the U.S. Department of Housing and Urban Development("HUD") under Title II of the National Affordable Housing Act of 1990, (P.L. 101-625) for utilization in connection with its HOME Investment Partnerships Program. Notwithstanding anything in this AGREEMENT to the contrary, any approval or consent of the CITY requested and received by BORROWER under the HOME Loan shall be deemed to be an approval and consent from the CITY and CORPUS CHRISTI B CORPORATION under this AGREEMENT with respect to that same matter, and BORROWER shall not be required to seek any additional consent or approval under this AGREEMENT that has already been obtained under the HOME Loan for that matter.

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

With a copy to: Wells Fargo Bank, National Association
Community Lending and Investment
MAC T9639-031
201 Main Street, Suite 300
Fort Worth, Texas 76102-5489
Attention: Misty D. Ramsey
(Reference Loan No.
0000070129)

Wells Fargo Bank, National
Association
MAC D1086-239
550 S. Tryon Street, 23rd Floor
Charlotte, NC 28202-4200
Attn: Manager, CLI Deal
Management
Loan # 0000070129

With a copy to: Wells Fargo Bank, National
Association

550 S. Tryon Street
23rd Floor, MAC D1086-239
Charlotte, NC 28202-4200
Attn: Director of Tax Credit Asset Management

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, along with the other Loan Documents, 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

Loan Agreement between CORPUS CHRISTI B CORPORATION and TG 110 Palms at Morris, LP

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: Alan Wilson, 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 Alan Wilson, 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:

TG 110 PALMS AT MORRIS, LP,
a Texas limited partnership

By: TG 110 Palms at Morris GP, LLC,
a Texas limited liability company,
its general partner

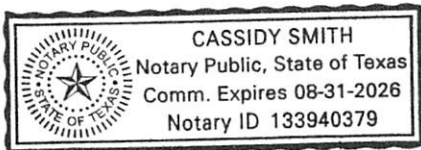
By: TG 110, Inc.,
a Texas non-profit corporation,
its sole member

By: Jaclyn S. Woodring
Jaclyn S. Woodring,
Executive Director

STATE OF TEXAS §
 §
COUNTY OF BEXAR §

This instrument was acknowledged before me on this 15th day of April, 2025, by JACLYN S. WOODRING, Executive Director of TG 110, Inc., sole member of TG 110 Palms at Morris GP, LLC, general partner of TG 110 Palms at Morris, LP, a Texas limited partnership, on behalf of TG 110 Palms at Morris, LP.

[SEAL]



[Signature]
Notary Public, State of Texas

Exhibit A – Scope of Work

Palms at Morris 2212 Morris St, Corpus Christi, Texas 72-Unit Multifamily Rental Development New Construction

Developer: Housing and Community Services, Inc., a Texas non-profit corporation, d/b/a Prospera Housing Community Services (“PHCS”)
Co-Developer TG 110, Inc.
Owner: TG 110 Palms at Morris, LP
General Partner TG 110 Palms at Morris GP, LLC (*Controlling Entity*)
CHDO: TG 110, Inc. – 501(c)(3) – Sole Member of Owner General Partner

Type of Development

The Palms at Morris is a 72-unit elderly development located in an excellent area for affordable housing. The community is accessible to nearby amenities such as parks, community and recreation centers, healthcare facilities, and a grocery store and pharmacy within 1.5 miles, and is conveniently located to access public transportation. The community will provide resident services and have an onsite services coordinator.

Funding Sources:

Tax Credit Equity	\$15,152,085
Permanent Lien – Wells Fargo ICC; 40-year Amortization	\$ 1,100,000
City of Corpus Christi HOME Loan	\$ 587,531
City of Corpus Christi 4B Loan	\$ 1,160,100
City of Corpus Christi Fee Waivers	\$ 500
Prospera Capital Magnate Funds	\$ 1,000,000
Deferred Developer Fee	\$ 379,231
Total	\$19,379,447

Funding Uses:

Land	\$ 10
Construction Costs	\$13,043,283
Soft Costs	\$ 4,076,154
Fees and Reserves	\$ 2,260,000
Total	\$19,379,447

Exhibit A – Scope of Work

Unit Configuration

56 - One bedroom – 656 sq ft

16 - Two bedroom – 899 sq ft

Unit Type	Baths	Affordable Units	Total Units
1br	1	56	56
2br	1	16	16
Total		72	72

Affordable Units Income Mix

Unit Type	30% AMI Units	50% AMI Units	60% AMI Units	Total Units
1br	6	12	38	56
2br	2	4	10	16
Total	8	16	48	72

Select Energy and Other Development Highlights

The Palms at Morris will be a newly constructed 72-unit apartment complex for senior citizens. The project will adhere to the most recently adopted building and energy codes and will include modern amenities.

Amenities – The project will include over 3,000 square feet of new community areas including a community room, business lounge, fitness/yoga area, multiple BBQ/picnic areas, and over a third of an acre dedicated to outdoor activities space.

Energy Efficiency –

- The project will meet all requirements of the adopted 2021 International Energy Conservation Code (IECC).
- All appliances and ceiling fans will be Energy Star rated,
- HVAC will be 14.3 SEER2 (formerly 15 SEER), and
- Windows will be impact rated with low-E rated glass.

Exterior – The building envelope and roof will meet FORTIFIED GOLD standards, include radiant barrier decking, and will have 30-year shingles.

Accessible Units – 5% of the units (4 units) are ADA compliant with another 5% incorporating Hearing/Visual accommodations.

Perimeter Fencing – The property will include 100% perimeter fencing including both vehicle and pedestrian, access-controlled gates. The leasing office will be the only publicly accessible space; all other areas are reserved for and accessible only by residents.

Parking – Parking meets the needs of the residents and adheres to City code requirements for senior properties.