

# Real Estate Sales Contract

THE STATE OF TEXAS §

KNOW ALL BY THESE PRESENTS

COUNTY OF NUECES §

This Contract is entered into by the **City of Corpus Christi**, a Texas home-rule municipality, with an address of 1201 Leopard Street, Corpus Christi, Nueces County, Texas 78401 ("**Seller**") and **DSW Homes, LLC**, a Texas Limited Liability Company with an address of 1650 E. Winding Way Dr Bldg B, Friendswood, Tx 77546-5128 ("**Buyer**").

1. **Property.** Seller, for the consideration and under the terms set out herein, agrees to convey to Buyer the following lots:
  - 1) Lots 1 and 2, Block 6, Summit Addition Subdivision, Corpus Christi, Nueces County, Texas, less portion of Lot 1 conveyed to the City of Corpus Christi, TX by Deed dated May 8, 1943, and recorded at File No. 196397, Volume 300, Page 56, Deed Record of Nueces County, located at or near 2203 Morris Street,
  - 2) Lot 3, Block 6, Summit Addition Subdivision, Corpus Christi, Nueces County, Texas, located at or near 2203 Morris Street,
  - 3) Lot 38, Block 6, Summit Addition Subdivision, Corpus Christi, Nueces County, Texas, located at or near 715 19th Street,
  - 4) Lot 39, Block 6, Summit Addition Subdivision, Corpus Christi, Nueces County, Texas, located at or near 715 19th Street,
  - 5) Lot 40, Block 6, Summit Addition Subdivision, Corpus Christi, Nueces County, Texas, located at or near 715 19th Street,
  - 6) Lot 41, Block 6, Summit Addition Subdivision, Corpus Christi, Nueces County, Texas, located at or near 715 19th Street.
  - 7) Lot 42, Block 6, Summit Addition Subdivision, Corpus Christi, Nueces County, Texas, located at or near 715 19th Street.
  
2. **Purchase Price.** The purchase price is \$10.00 per lot and the development of each lot for low-income or moderate-income housing. The Buyer will construct low-income or moderate-income housing on each lot conveyed. For this agreement, low and moderate-income housing is defined as properties that are sold for a price that does not exceed the New Homes HOME/Housing Trust Fund (HTF) Purchase Price Limit for 1-Unit for the Corpus Christi Metropolitan Statistical Area (MSA) established and published annually by U.S. Department of Housing and Urban Development (HUD) per 24 C.F.R. § 92.254 or rented for an amount that does not exceed the Fair Market Rent for the Corpus Christi MSA established and published

annually by the U.S. Department of Housing and Urban Development (HUD) per 24 C.F.R. § 888.115. This condition is designed to maintain the integrity and purpose of the properties per Texas Local Government Code 272.001(g).

3. **Title Insurance.** The Buyer, at Buyer's expense, may acquire a title insurance policy that guarantees good and indefeasible title to the Property, without exceptions to title other than the standard printed exceptions and exceptions permitted under this Contract, and that wholly insures and indemnifies Buyer against any title defects or adverse claims.
4. **Property Taxes.** The City of Corpus Christi, as the owner of this property, is exempt from local property taxes. Any taxes due after conveyance are the responsibility of the Buyer.
5. **Special Warranty Deed.** Seller will execute a Special Warranty Deed, drafted in accordance with the provisions of this Contract, conveying the Property to Buyer. Buyer must make the cash payment.
6. **Reverter Clause.** The Special Warranty Deed for all lots sold shall include a reverter clause as follows:

**Reverter**

A lot reverts to the City of Corpus Christi if the grantee fails to construct a single-family dwelling for low-income or moderate-income housing on such lot and obtain a certificate of occupancy for such dwelling within two years from the date of conveyance. In this context, low and moderate-income housing is defined as properties that are sold for a price that does not exceed the New Homes HOME/Housing Trust Fund (HTF) Purchase Price Limit for 1-Unit for the Corpus Christi Metropolitan Statistical Area (MSA) established and published annually by U.S. Department of Housing and Urban Development (HUD) per 24 C.F.R. § 92.254 or rented for an amount that does not exceed the Fair Market Rent for the Corpus Christi MSA established and published annually by the U.S. Department of Housing and Urban Development (HUD) per 24 C.F.R. § 888.115. The grantee agrees to abide by these conditions, and failure to comply with any of these conditions shall result in the automatic reversion of the lot and dwelling to the City of Corpus Christi. This condition is designed to maintain the integrity and purpose of the property per Texas Local Government Code 272.001(g).

7. **Cost Recapture, Reverter, and Covenant Running with the Land Clause.** The Special Warranty Deed for all lots sold shall include Cost Recapture, Reverter, and Covenant Running with the Land clause as follows:

**Cost Recapture, Reverter, and Covenant Running with the Land**

The City of Corpus Christi has conveyed the lot for less than market value to be used for low-income and moderate-income housing. In this context, low-income and moderate-income housing is defined as a property that is sold for a price that does not exceed the New Homes HOME/Housing Trust Fund (HTF) Purchase Price Limit for 1-Unit for the Corpus Christi

Metropolitan Statistical Area (MSA) established and published annually by U.S. Department of Housing and Urban Development (HUD) per 24 C.F.R. § 92.254 or rented for an amount that does not exceed the Fair Market Rent for the Corpus Christi MSA established and published annually by the U.S. Department of Housing and Urban Development (HUD) per 24 C.F.R. § 888.115.

Within the next ten years from the date of execution, if any of the lots described herein are sold for a price that exceeds the most recently issued New Homes HOME/HTF Purchase Price Limit established and published annually by HUD or rented for an amount that exceeds the most recently issued Fair Market Rent established and published annually by HUD, the City of Corpus Christi is entitled to recapture the costs of the land. The recaptured costs of the land shall be calculated at \$5.15 per square foot, representing the land's fair market value.

A lot reverts to the City of Corpus Christi if:

(1) a dwelling and lot are sold for a price that exceeds the most recently issued New Homes HOME/HTF Purchase Price Limit for 1-Unit for the Corpus Christi, TX MSA as established and published by the U.S. Department of Housing and Urban Development per 24 C.F.R. § 92.254; **or**

(2) a dwelling and lot are rented for an amount that exceeds the most recently issued Fair Market Rent as established and published by the U.S. Department of Housing and Urban Development per 24 C.F.R. § 888.115; **and**

(3) the City of Corpus Christi is not paid a cost recapture for the land value of the lot at \$5.15 per square foot within 90 days of the sale or rental. Payment can be made at 1201 Leopard St, Corpus Christ, TX 78401.

The grantee agrees to abide by these conditions, and failure to comply with any of these conditions shall result in the automatic reversion of the lot and dwelling to the City of Corpus Christi. This restrictive covenant shall run with the land and bind all subsequent owners. These covenants shall run with the land for a period of 10 years from the date of this conveyance and shall automatically expire thereafter. This condition is designed to maintain the integrity and purpose of the property per Texas Local Government Code 272.001(g).

8. **Non-Transferable.** Prior to constructing a single-family dwelling for low-income or moderate-income housing outlined in this agreement, the Buyer shall not transfer the property described herein. Any attempt to do so shall be null and void, and the party responsible shall be liable for any resulting damages incurred by the other party.
9. **Property Maintenance.** Upon conveyance, Buyer shall maintain the described properties by mowing all grass and vegetation as often as necessary to maintain

a height of less than 12 inches, effective upon execution of this Agreement. Buyer shall not allow weeds or brush twelve inches or higher to grow on the described property. Additionally, the Buyer will keep the described properties free of litter and solid waste.

10. **Closing.** There shall be no formal closing for this transaction. Within 30 days of this Agreement's execution, Buyer will provide cash payment. Within 30 days of receipt of cash payment, Seller shall execute a Special Warranty Deed, drafted in accordance with the provisions of this Contract, conveying the Property to Buyer. Buyer will be responsible for recording the Special Warranty deed in the Real Property records of Nueces County.
11. **Survives Closing.** This Contract survives the Conveyance of the Property and the delivery of the Special Warranty Deed and other necessary documents by Seller to Buyer, and all terms and conditions remain in effect between Seller and Buyer.
12. **Property Condition.**
  - A. Buyer acknowledges and agrees that Buyer is purchasing the property "AS-IS" "WHERE-IS" and "WITH ALL FAULTS" without any warranties, representations or guarantees, either expressed or implied, of any kind, nature or type whatsoever from or on behalf of seller. Without limiting the generality of the foregoing, Buyer acknowledges and agrees that Seller hereby expressly disclaims any and all implied warranties concerning the condition of the property and any portions thereof, including but not limited to environmental conditions, presence or absence of hazardous materials and implied warranties of habitability, merchantability or fitness for a particular purpose.
  - B. Buyer acknowledges and agrees that BUYER HAS NOT RELIED, AND WILL NOT RELY, upon any representations or warranties (oral or written) made by, or purportedly made on behalf of, Seller unless such representations and warranties are expressly set forth in this Contract.
  - C. Except as otherwise specifically provided in this Contract, Buyer agrees that no representation by or on behalf of Seller have been made to Buyer as to the condition of the Property, any restrictions related to the condition of the Property, any restrictions related to the development of the Property, the applicability of or compliance with any governmental requirements, including but not limited to environmental laws or the suitability of the Property for any purpose whatsoever.
  - D. Buyer releases Seller from any claims it may have against the

Seller now or in the future under the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C.A §§ 9601 et seq. as amended; the Resource Conservation and Recover Act, 42 U.S.C.A. §§ 6901 et seq. as amended; the Texas Solid Waste Disposal Act, Tex. Health & Safety Code §§ 361.001 et seq. as amended; any other analogous state or federal statute; and common law arising from the environmental conditions of the Property or the presence of hazardous substances, solid wastes, or any other pollutants or contaminants on the Property.

13. **Broker's Commission.** Seller and Buyer have not commissioned a Broker to represent their interests, and neither are responsible for any brokerage or real estate commissions in connection with this Contract. Any costs associated with services to either party are the responsibility of the party that contracted the services.
14. **Essential.** Time is of the essence in closing this transaction.
15. **Effective Date.** The effective date of this Real Estate Sales Contract is the date on which the Contract is signed by the Seller.
16. **Governing Law and Venue.** This Agreement is subject to all federal, State, and local laws, rules, and regulations. The applicable law for any legal disputes arising out of this Agreement is the law of the State of Texas, and such form and venue for such disputes is the appropriate district, county, or justice court in and for Nueces County, Texas.
17. **Supersedes previous agreements.** This Contract constitutes the only agreement of the parties and supersedes any prior understandings or written or oral agreements between the parties respecting the subject matter of this Contract.
18. **Counterparts:** Multiple original copies of this contract may be executed, and the execution of this contract may be through the execution by the parties of separate counterparts. All of the original copies of this contract together shall constitute one agreement, binding on all of the parties hereto notwithstanding that the parties hereto may or may not be signatories to the same counterpart. Each of the undersigned parties authorizes the assembly of one or more original copies of this contract, such that each such original copy of this contract shall consist of (i) the body of this contract and (ii) counterpart signature pages and acknowledgment pages which collectively include all of the signatures and acknowledgments of the parties hereto. Each such contract shall constitute one original of this contract.
19. **Assignment:** Buyer shall not assign this Contract. Seller shall not assign this Contract. In the event an assignment is attempted, in violation of this Section, then Buyer's rights under this Contract shall automatically and immediately terminate

without notice.

20. **Breach of Contract.** Buyer's failure to develop the conveyed parcels for low-income or moderate-income housing as defined herein constitutes a breach of contract. Seller has all remedies in law for a breach of contract.
21. **Government Function.** This Agreement is to perform a governmental function solely for the public benefit, and the City does not waive its immunity by entering into and performing its obligations under the Agreement.
22. **Deed Amendment.** Upon request from Buyer, Seller will file an amended Special Warranty Deed if Buyer has started construction of a single-family dwelling but will be unable to obtain a certificate of occupancy within 2 years of the conveyance. The amended Special Warranty Deed will provide an additional year to obtain a certificate of occupancy prior to reversion.

Seller

**City of Corpus Christi**

---

Jeff H. Edmonds, P.E., Director of Engineering Services

THE STATE OF TEXAS           §

COUNTY OF NUECES           §

This instrument was acknowledged before me on \_\_\_\_\_,  
202\_\_, by Jeff H. Edmonds, P.E., Director of Engineering Services of the City of Corpus  
Christi, a Texas municipal corporation, on behalf of said corporation.

---

Notary Public in and for the State of Texas

APPROVED AS TO LEGAL FORM THIS \_\_\_\_\_ DAY OF \_\_\_\_\_,  
202\_\_\_\_\_.

---

Assistant City Attorney  
City Legal Department

Buyer

**DSW Homes, LLC.**

\_\_\_\_\_  
Donald Gerratt, Chief Executive Officer

THE STATE OF TEXAS §

COUNTY OF \_\_\_\_\_ §

This instrument was acknowledged before me on \_\_\_\_\_,  
202\_\_\_, by Donald Gerratt, Chief Executive Officer of DSW Homes, LLC.

\_\_\_\_\_  
Notary Public in and for the State of Texas