



# SERVICE RELEASE ORDER

**Vendor Address**  
Vendor Address Number 165595  
QUASAR CITY PARK LTD.  
4808 GIBSON STREET, SUITE 300  
HOUSTON TX 77007  
USA

**Mail Invoice to**  
COH HOUSING & COMMUNITY DEV  
FINANCIAL SERVICES SEC, ACCT PAY  
PO Box 1562  
HOUSTON TX 77251-1562

**Information**  
SRO Number/Date 4500365949-0 / 03/11/2022  
CoH Vendor Number 165595  
Page 1 of 2  
Buyer's Name Teresa Moore 461  
Buyer's Telephone Number 832.394.6272  
Buyer's Fax Number  
Buyer's E-mail Address Teresa.moore@houstontx.gov

**CONFIRM RECEIPT AND ACCEPTANCE OF PURCHASE ORDER  
TO BUYER'S E-MAIL ADDRESS**

**Shipping Address** HOUSING & COMMUNITY DEVELOPMENT  
PROCUREMENT SERVICES  
2100 TRAVIS, 9TH FLOOR  
HOUSTON TX 77002  
USA

**Terms of payment :** Pay net 30 w/o deduction Currency USD

**Shipping Terms** FOB(Free on board) /DESTINATION

**Our reference:** 2022-0199

**Your person responsible:** AVI RON

**Your reference:** 2022-0199

| Item  | Quantity | UM | Material # / Description   | Unit Cost          | Extended Cost |
|---|----------|----|--|--------------------|---------------|
| 10  | 1.00     | AU | 99884 REAL ESTATE (INCL. B<br>SFR-HWY 288 & Orem DR17<br>Release Order against contract 4600017169 Item 00010<br>03/11/2022 TAM<br><br>Amount \$12,569,893<br><br>288 and Orem will be a new construction project of single-family homes in the South Acres/Crestmont Park neighborhood. This purchase will increase Houston's housing stock by approximately 225 townhomes. A minimum of 51% of the total homes will be sold to low-to moderate income homebuyers at 80% Area Median Income or below. | 12,569,893.00 / AU | 12,569,893.00 |
| Gross Price   |          |    | USD  | 1 AU               | 12,569,893.00 |
| *** Item partially delivered ***                    |          |    |  |                    |               |
| Expected value of unplanned services: 12,569,893.00 |          |    |  |                    |               |
| <b>Delivery Date:</b> 09/30/2022                    |          |    |  |                    |               |



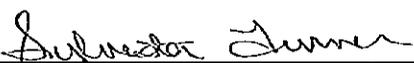
**CITY OF HOUSTON**  
HCD Purchasing Unit 3200

SRO NUMBER MUST APPEAR ON ALL PAYMENT AND  
DELIVERY CORRESPONDENCE

# SERVICE RELEASE ORDER

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|   |                          |
|---|--------------------------|
| <b>Total ****</b>   | <b>USD 12,569,893.00</b> |
| ORD 2022-0199 PASSED 03/23/2022; EXECUTED BY MAYOR<br>03/24/2022 CS 03/29/2022  |                          |
| <p>NOTICE -- This is a contract release order against the contract referenced herein. The terms and conditions in the referenced contract are hereby incorporated into this contract release order as if set forth in full text. All work performed pursuant to this contract release order shall be performed in strict accordance with the referenced contract's statement of work/scope of services.</p> |                          |

|  |  |   |
|--|--|---|
| I hereby certify a certificate of the necessity of this expenditure is on file in this department. | I hereby certify that the expenditure for the above goods has been duly authorized and appropriated and that sufficient funds are available to liquidate same. |   |
|                  |   |  |
| <b>Mayor</b>   | <b>Chief Procurement Officer</b>   | <b>Controller</b>   |

## **AGREEMENT FOR OPTION TO PURCHASE REAL PROPERTY**

This Agreement for Option to Purchase Real Property (this “**Agreement**”) is made and entered into by and between **QUASAR CITY PARK, LTD.**, a Texas limited partnership (“**Seller**”), and the **CITY OF HOUSTON, TEXAS**, a municipal corporation situated in Harris, Fort Bend and Montgomery Counties, Texas (“**Purchaser**”). Seller and Purchaser shall sometimes hereinafter collectively be referred to as the “**Parties**” and each as a “**Party**”. This Agreement shall be effective on the date that it is countersigned by the City Controller of the City of Houston, Texas (the “**Effective Date**”).

**WHEREAS**, Purchaser is a subrecipient of Hurricane Harvey Community Development Block Grant – Disaster Recovery (“**CDBG-DR**”) funds administered by the U.S. Department of Housing and Urban Development (“**HUD**”) through the Texas General Land Office (“**GLO**”); and

**WHEREAS**, Purchaser desires to utilize CDBG-DR funds to purchase that certain Property, as defined in Section 1 of this Agreement, and to fund certain related CDBG-DR-eligible expenses related to the purchase thereof, for the purpose of meeting the CDBG-DR National Objective of benefitting low- and moderate-income (“**LMI**”) persons by creating an LMI Area benefit through the expansion of Purchaser’s housing stock which will benefit at least 51% of the LMI residential service area; and

**WHEREAS**, in consideration of the Option Fee (as defined herein), Seller desires to grant to Purchaser the option to purchase the Property on the terms and conditions outlined herein;

**NOW, THEREFORE**, Seller and Purchaser hereby agree as follows:

1. **Option to Purchase**. Purchaser has the option and right (the “**Option**”) to purchase and accept from Seller, for the Purchase Price (as hereinafter defined) and subject to the terms and conditions of this Agreement, the following tract or parcel of land:

A tract or parcel of land containing approximately 14.946 acres (±651,047 square feet) of land located on the east side of State Highway 288 just south of East Orem Drive, City of Houston, Harris County, Texas 77047 and more particularly described on Exhibit “A” attached hereto and made a part hereof.

together with all improvements thereon, all rights and interests appurtenant thereto, including all of Seller’s rights, title and interest, if any, in and to adjacent streets, alleys, rights-of-way, easements, any adjacent strips or gores of land (collectively, the “**Improvements**”). The Land and Improvements are collectively referred to hereafter as the “**Property**”. All of the Property shall be conveyed to Purchaser at Closing (as hereinafter defined) free and clear of all liens, claims, easements and encumbrances whatsoever, except for the Permitted Encumbrances (as hereinafter defined).

2. **Purchase Price.** The price for which Seller agrees to sell and convey the Property to Purchaser, and which Purchaser agrees to pay to Seller, subject to the terms of this Agreement, is in the amount of **TWELVE MILLION THREE HUNDRED SIXTY-NINE THOUSAND EIGHT HUNDRED NINETY-THREE AND 00/100 DOLLARS (\$12,369,893.00)**. Purchaser shall pay the Purchase Price to Seller by wire of such amount in immediately available funds to an account designated by the Title Company (as defined in Section 5.a. of this Agreement) on the Closing Date (as defined in Section 8.b. of this Agreement), subject to any adjustments provided for in this Agreement.

3. **Seller's Representations, Warranties and Covenants.** Seller hereby represents and warrants to, and covenants with Purchaser that:

a. Seller will have, as of the Closing Date, good and indefeasible title in fee simple to the Property, subject only to the Permitted Encumbrances, and free and clear of all liens;

b. As of the Closing Date, there will be no leases, franchises, licenses, occupancy agreements, or other agreements demising space in, providing for the use or occupancy of, or otherwise similarly affecting or relating to the Property, or any prepaid rents or deposits, security or otherwise, made by tenants, other than as has been disclosed in writing to Purchaser;

c. There are no, and, as of the Closing Date, there will be no actions, suits, claims, assessments that are past due, or proceedings pending or, to the actual knowledge of Seller, threatened that could materially adversely affect the ownership, operation, or maintenance of the Property or Seller's ability to perform under this Agreement, other than as has been disclosed in writing to Purchaser;

d. **INTENTIONALLY DELETED**

e. From the Effective Date of this Agreement until the Closing Date, Seller shall use good faith efforts to promptly notify, in writing, Purchaser of any material change with respect to the Property or with respect to any information respecting the Property and obtained by Seller prior to or after the Effective Date;

f. From the Effective Date of this Agreement until the Closing Date, Seller shall:

(i) maintain and operate the Property as Seller has historically maintained the Property, and not commit or consent to be committed any waste to the Property;

(ii) not enter into any agreement, instrument, or covenant or take any action that would constitute an encumbrance of the Property after Closing, that would bind the Property after Closing, that would bind Purchaser whatsoever, or that would be outside the normal scope of maintaining and operating the Property as historically maintained by Seller, without the prior written consent of Purchaser (which consent shall not be unreasonably withheld, conditioned or delayed); and

(iii) afford Purchaser and its representatives the continuing right to enter, inspect, and perform tests on the Property at reasonable hours.

g. All bills, liens (caused by, through or under Seller, its partners, members, owners, officers, directors, agents, representatives, and controlling persons) property taxes, and other payments due from Seller with respect to the ownership, operation, and maintenance of the Property through the Closing Date have been (or by the Closing Date will be) paid by Seller and Seller will use best efforts to not cause any liens or other claims for the same to be filed or asserted against any part of the Property before the Closing Date;

h. Seller has full right, power and authority to execute, deliver, and perform this Agreement without obtaining any consents or approvals from, or the taking of any other actions with respect to, any third parties (or if any such consents, approvals, or other actions are required, the same will be accomplished prior to the Seller's execution of this Agreement and Purchaser's submission of this Agreement to the City Council of the City of Houston, Texas for its approval), and this Agreement, when executed and delivered by Seller and Purchaser, in the manner and subject to the approvals described herein, will constitute the valid and binding agreement of Seller, enforceable against Seller in accordance with its terms;

i. Seller is not a "foreign person" (as defined in Internal Revenue Code Section 1445(f)(3) and its appurtenant regulations);

j. Seller (i) is not in receivership or dissolution, (ii) has not made any assignment for the benefit of creditors, (iii) has not admitted in writing their inability to pay their debts as they mature, (iv) has not been adjudicated a bankrupt, (v) has not filed a petition in voluntary bankruptcy, a petition or answer seeking reorganization, or an arrangement with creditors under the federal bankruptcy law, or any other similar law or statute of the United States or any state, or (vi) does not have any such petition described in (v) filed against Seller;

k. Seller is not and has not received any written notice that it has been "debarred" as cited on federal and state debarment lists in accordance with 24 C.F.R. Section 570.609 or other applicable law;

l. Seller is not indebted to the City nor in default of, or the subject of any negative collection actions relating to, any financial obligation to the City of Houston, Texas, any other public agency, or private lender;

m. Seller does not discriminate based on ethnicity, race, color, creed, religion, gender, national origin, age, disability, marital status, sexual orientation, gender identity, or Veteran's discharge status; and

n. Seller is aware that Purchaser is relying on the representations and warranties contained in this Agreement, and that but for such representations and warranties by Seller, Purchaser would not enter into this Agreement.

**4. Purchaser's Representations, Warranties, and Covenants.**  
Purchaser hereby represents and warrants to, and covenants with Seller that:

a. Purchaser has full right, power, and authority to execute, deliver, and perform this Agreement, subject to approval of this Agreement by the City Council of the City of Houston, Texas, the signature of the Mayor of the City of Houston, Texas and the countersignature of the City Controller of the City of Houston, Texas, but otherwise without obtaining any consents or approvals from, or the taking of any other

actions with respect to, any third parties, except for such consents, approvals and actions outlined herein, which consents, approvals, or other actions must be accomplished prior to the expiration of the Option Period (as defined in Section 6.b of this Agreement);

b. The Purchaser's ability to proceed to Closing is subject to the availability and approval of federal funds, including CDBG-DR funds, to purchase the Property prior to the expiration of the Option Period;

c. The Purchaser's exercise of the Option is subject to the Purchaser's determination during the Option Period on the desirability of the Property as a result of the Purchaser's completion of due diligence investigations regarding the Property, including environmental review of the Property in accordance with the applicable law and the terms of this Agreement;

d. Prior to Closing, Purchaser shall not enter into any agreements or obtain any approvals (from any governmental entities or otherwise) affecting the Property which will be binding upon the Property or Seller after Closing (or termination of this Agreement) without Seller's prior written consent; and

e. This Agreement, when executed and delivered by Seller and Purchaser, in the manner and subject to the approvals described in this Section 4, will constitute the valid and binding agreement of Purchaser, enforceable against Purchaser in accordance with its terms. Purchaser is aware that Seller is relying on the representations and warranties contained in this Agreement, and that but for such representations and warranties by Purchaser, Seller would not enter into this Agreement.

#### 5. Option Fee.

a. The option fee for this Agreement is **THREE HUNDRED THOUSAND 00/100 DOLLARS (\$300,000.00)** (the "**Option Fee**"). The Option Fee shall be deposited in escrow with Magnolia Title Company (the "Title Company") within fifteen (15) business days following the Effective Date, subject to national holidays, as defined by Texas Government Code, § 662.003(a), not being counted during this time period. In the event Purchaser fails to timely deposit the Option Fee, this Agreement may be immediately terminated by Seller's or Purchaser's notice to the Title Company and the other Party, and neither party to this Agreement shall have any further rights, duties, obligations or liabilities under this Agreement except those provisions hereof that expressly survive such termination. The Title Company shall acknowledge receipt of the Option Fee and shall hold the Option Fee in an interest-bearing account at Purchaser's expense. Unless otherwise returned to Purchaser pursuant to the terms hereof, the Option Fee, together with all interest thereon, shall be credited to the Purchase Price at the Closing.

Escrow Officer:

**Thomas Osborne**

*Senior Vice President* | Closing Attorney

Magnolia Title Company

1885 St. James Place, Suite 770

Houston, Texas 77056

Telephone (346) 353-5461

[tom@magnoliatitletx.com](mailto:tom@magnoliatitletx.com)

b. A portion of the Option Fee in the initial amount of **ONE THOUSAND AND 00/100 DOLLARS (\$1,000.00)** (the “**Non-Refundable Option Deposit**”) shall be non-refundable in all events and forfeited to Seller as earnest money if this Agreement is terminated by Purchaser for any or no reason during the Option Period, including but not limited to, due to Purchaser’s inability to obtain the authority from HUD, GLO or the City of Houston City of Council to use CDBG-DR funds to purchase the Property (i.e. environmental release of funds) or such other approvals to use CDBG-DR funds as may be required to purchase the Property, and the Title Company shall promptly (and in any event within two (2) business days after termination of the Agreement) release the Non-Refundable Option Deposit, Survey Reimbursement Amount (as defined in Section 6.e. of this Agreement), and the Schematic Plans Reimbursement Amount (as defined in Section 6.j. of this Agreement) to Seller, and the balance of the Option Fee of **TWO THOUSAND NINE HUNDRED NINETY-NINE AND 00/100 DOLLARS (\$299,000.00)** (the “**Refundable Option Fee**”) shall be promptly (and in any event within two (2) business days after termination of this Agreement) released to the Purchaser. At Closing (as defined in Section 8.b. of this Agreement), the Non-Refundable Option Deposit shall be applied to the Purchase Price.

c. Purchaser shall have the right to elect to extend the initial ninety (90)-day Option Period (as defined below) by exercising up to three (3) extension rights of thirty (30) days each by delivering written notice of such election to exercise an extension right (each, an “**Extension Notice**”) to Seller and the Title Company not later than by 5:00 p.m. Central Time on the date which is three (3) business days prior to the expiration of the then-current Option Period and depositing with the Title Company the amount of **TWENTY-FIVE THOUSAND AND 00/100 DOLLARS (\$25,000.00)** (each an “**Extension Deposit**”) for each extension. In the event Purchaser elects to terminate the Agreement pursuant to the terms of this Agreement, the first Extension Deposit shall be refundable to Purchaser, and the second and third Extension Deposits shall be non-refundable to Purchaser and if this Agreement is so terminated, such second and third Extension Deposits shall be promptly (and in any event within two (2) business days after termination of this Agreement) released to the Purchaser. If Purchaser exercises the Option and elects to proceed to Closing, all Extension Deposits shall be applied to the Purchase Price.

(i) Purchaser shall remit the Extension Deposit no later than fifteen (15) days after Seller and Title Company’s receipt of the Extension Notice. Failure to timely issue an Extension Notice to extend the Option Period or to timely pay the Extension Deposit shall result in the Option Period not being extended, and this Agreement shall automatically terminate in which event the Title Company shall release the Non-Refundable Option Deposit, Survey Reimbursement Amount, the Schematic Plans Reimbursement Amount, and the second and third Extension Deposit(s), if any, to Seller, and the Refundable Option Fee and the first Extension Deposit, if any, shall be released to the Purchaser, and neither party hereto shall have any further rights, duties, obligations or liabilities hereunder except those provisions hereof that expressly survive such termination.

## 6. Option Period.

a. Within ten (**10**) days after the Effective Date, Seller shall provide to Purchaser the following items in Seller's possession or in the possession of a third party who is controlled by Seller or who had or is under a contract with Seller with respect to the Property (collectively the "**Submission Items**"):

- (i) A copy of the deed acquiring title to the Property and copies of all tax bills and government assessments relating to the Property for the past three (3) years, if any;
- (ii) Copies of all documents, if any, indicating any existing noncompliance with all governmental entities with jurisdiction of any sort over the Property;
- (iii) Copies of all soil, engineering and environmental reports and environmental testing, inspection or remediation services with respect to the Property, if any;
- (iv) A copy of any existing survey (the "**Existing Survey**") of the Property;
- (v) Copies of any contracts not cancelable with thirty (30) days notice;
- (vi) Copies of any agreements affecting the Property that would survive Closing; and
- (vii) Any existing plans or other additional information relating to the Property.

Seller makes no representation or warranty regarding the accuracy or completeness of the Submission Items, and Purchaser acknowledges that it is a sophisticated and experienced purchaser of real estate and further that Purchaser has relied upon its own investigation and inquiry with respect to the Property and releases Seller from any liability with respect to any errors or misstatements set forth within the Submission Items.

b. Commencing on the Effective Date and ending at the expiration of ninety (**90**) days, plus any extension period authorized under Section 5.c. of this Agreement (collectively, the "**Option Period**"), in accordance with Section 8.a. of this Agreement, by Purchaser exercising the Option, Purchaser shall have the right to enter the Property during the Option Period to conduct a due diligence investigation of the Property at Purchaser's sole cost and expense, including, but not limited to, analyzing any land use or regulatory issues affecting the Purchaser's proposed development of the Property, including Purchaser issuing a Request for Proposal (RFP) and/or Notice of Funds Availability (NOFA) relating to future development of the Property and, therefore, respondents of such RFP/NOFA ("**Purchaser Representatives**") will also require access to the Property for such purposes; and conducting tests and surveys, and undertaking such other reviews and activities as Purchaser, in its sole but reasonable discretion, may deem necessary, and to obtain required third party approvals necessary to proceed with the purchase of the Property, including, but not limited to, conducting and completing an environmental review, as required by the CDBG-DR regulations, which environmental review may not exceed the scope of what is required under applicable federal regulations without Seller's consent, which shall not be unreasonably withheld (and any such environmental review shall not include sub-surface borings unless previously approved by Seller in writing). All environmental activities and reports must conform with the CDBG-DR regulations including, without limitation, the regulations at 24 C.F.R. Parts 50, 58, and 570, as applicable. Prior to the

expiration of the Option Period, should Seller withhold consent to complete any environmental review or additional testing that exceeds the scope of what is required under applicable federal laws and regulations, Purchaser may provide Seller with written notice of its election to terminate this Agreement, in which event the Title Company shall release the Non-Refundable Option Deposit, Survey Reimbursement Amount, the Schematic Plans Reimbursement Amount, and the second and third Extension Deposits, if any, to Seller, and the Refundable Option Fee and the first Extension Deposit, if any, shall be released to the Purchaser, and neither Purchaser nor Seller shall have any further right, obligations or liabilities under this Agreement except those provisions hereof that expressly survive such termination. In addition to the foregoing, Purchaser Representatives shall have the right to enter upon and examine the Property to the same extent Purchaser may do so in this paragraph (e.g., to conduct tests, studies and surveys, environmental reports and property condition assessments).

c. In the event that Purchaser's environmental testing reveals the presence of any environmental contamination in levels requiring remediation under state, federal or local statutes, laws, regulations, rules or ordinances, Purchaser shall immediately provide Seller written notice with a copy of all environmental assessments and reports evidencing the environmental conditions of the Property that require remediation. Upon issuance of the written notice, Purchaser may provide Seller with written notice of its election to terminate this Agreement, in which event the Title Company shall release the Non-Refundable Option Deposit, Survey Reimbursement Amount, the Schematic Plans Reimbursement Amount, and the second and third Extension Deposits, if any, to Seller, and the Refundable Option Fee and the first Extension Deposit, if any, shall be released to the Purchaser, and neither party to this Agreement shall have any further rights, duties, obligations or liabilities under this Agreement except those provisions hereof that expressly survive such termination. Alternatively, Seller and Purchaser may, but shall not be obligated to, enter into good faith negotiations to mutually agree on how to address matters relating to environmental remediation of the Property, which may include the timing for remediation, the party responsible for remediation, and adjustments to the Purchase Price relating to the remediation. In the event Seller and Purchaser enter into good faith negotiations to mutually agree on how to address matters relating to environmental remediation of the Property, the terms of the remediation will be evidenced in writing and any deadline in this Agreement may be extended by written agreement of the parties by up to thirty (30) calendar days to allow Seller and Purchaser to finalize the transaction contemplated hereunder. In the event Seller and Purchaser agree to extend the Option Period for remediation purposes, Purchaser shall retain the right to terminate this Agreement at any time within the extended Option Period.

d. Purchaser shall keep the Property free and clear of any liens in connection with Purchaser's due diligence investigation, inspections or environmental testing. Prior to entry onto the Property by any Purchaser Representatives for purposes of performing any surveys, inspections or environmental testing, Purchaser shall cause to be provided to Seller (a) a self-insurance letter for such Purchaser Representatives reflecting Purchaser's self-insurance in form and content reasonably satisfactory to Seller and (b) one or more certificates of insurance for Purchaser's contractors and other invitees (including, without limitation, developers) reflecting a policy of general liability coverage for any single incident of not less than One Million and No/100 Dollars (\$1,000,000.00) per occurrence, Two Million and No/100 Dollars (\$2,000,000.00) in the aggregate and otherwise in form reasonably acceptable to Seller. If Purchaser's or Purchaser's Representatives' due diligence investigation causes any physical damage

to the Property as a result of any survey, inspection or environmental testing conducted by Purchaser or Purchaser Representatives, Purchaser will restore the Property to the same condition as existed immediately prior to any such survey, inspection or environmental testing if Seller produces objective documentation evidencing that such survey, inspection or environmental testing caused such physical damage.

e. Within thirty (30) days after the Effective Date, Seller shall, at its sole cost and expense (but subject to reimbursement by Purchaser as set forth below) obtain a new survey or an update to the Existing Survey (the "**New/Updated Survey**"), prepared by a Registered Professional Land Surveyor licensed by the State of Texas and acceptable to the Title Company and approved by Houston Public Works – Construction Branch – Survey/ROW/Mapping. The New/Updated Survey shall comply with the current requirements of the Texas Society of Professional Surveyors Standards and Specifications for a Category 1A Condition II Land Title Survey and contain such other information as Purchaser may reasonably request. Notwithstanding any provision of this Agreement to the contrary, Purchaser shall reimburse Seller for Seller's actual costs in obtaining the New/Updated Survey in an amount up to, but not exceeding, \$10,000.00 (such amount of reimbursement being referred to herein as the "**Survey Reimbursement Amount**") in accordance with the terms of this Section 6(e). Upon Seller's delivery of (i) the New/Updated Survey to Purchaser and the Title Company, and (ii) copies of invoices for such New/Updated Survey to the Title Company, the Title Company shall promptly deduct the Survey Reimbursement Amount from the Refundable Option Fee then held by the Title Company and shall release such Survey Reimbursement Amount to Seller without the requirement of any further consent or approval from Purchaser, and such Survey Reimbursement Amount shall be deemed non-refundable to Purchaser in all events and shall not be applicable to the Purchase Price at Closing. Upon receipt of the New/Updated Survey, Purchaser shall have twenty (20) days thereafter to object to the New/Updated Survey. Upon receipt of Purchaser's objections, Seller shall have fourteen (14) days thereafter to elect to cure such objections. Failure of Seller to respond to Purchaser within such fourteen (14) day period shall be deemed Seller's election not to cure such objections. Upon the earlier of: (i) Purchaser's receipt of Seller's notification of Seller's cure(s) of said objections; or (ii) Seller's failure to respond to Purchaser's objections within the 14-day cure period, Purchaser shall have seven (7) business days thereafter to accept the New/Updated Survey that reflects Seller's cures, if any, or terminate the Agreement. Notwithstanding any provision to the contrary, Purchaser's sole remedy for Seller's failure to comply with the terms of this Section 6(e) shall be to terminate this Agreement prior to the expiration of the Option Period. If Purchaser fails to terminate this Agreement prior to the expiration of the Option Period Purchaser shall be deemed to have waived its right to terminate this Agreement based on Seller's obligations set forth in this Section 6(e).

f. Within ten (10) days after the Effective Date, Seller, at its sole cost and expense, shall cause the Title Company to issue a commitment to issue title insurance (the "**Title Commitment**") accompanied by copies of all recorded documents relating to easements, rights-of-way, and all other matters of record affecting the Property. Seller shall cause the Title Company to issue an Owner's Policy of Title Insurance at Closing. Seller shall pay the basic premium of the Owner's Policy of Title Insurance, but Purchaser shall pay the additional premium for the area and boundary deletion and any other endorsements requested by Purchaser.

g. Purchaser shall have until the date that is thirty (**30**) days prior to the expiration of the Option Period (or, in the event Purchaser exercises its first option to extend the Option Period for a period of thirty (30) days pursuant to Section 5.c., seven (7) days prior to the expiration of the Option Period as so extended by such first extension option; provided, this deadline may not be extended beyond such initial 30-day extension of the Option Period regardless of whether Purchaser exercises any of the remaining two (2) Option Period extension options thereafter) to examine and specify to Seller those items affecting the Property that Purchaser finds objectionable (each a "Title Objection" and collectively, "Title Objections"). Seller may, but shall not be obligated to, cure any such Title Objections within fourteen (14) days after receipt of Purchaser's Title Objections ("**Seller's Optional Cure Period**"). Failure of Seller to respond to Purchaser within such fourteen (14) day period shall be deemed Seller's election not to cure such Title Objections. Purchaser shall have seven (7) business days from (i) receipt of Seller's response to the Title Objections or (ii) the expiration of Seller's fourteen (14) days to respond to the Title Objections (the "**Title Termination Date**"), to waive the Title Objections and accept the Property subject to such Title Objections (thereafter "**Permitted Encumbrances**") or terminate this Agreement. Items shown in the Title Commitment or New/Updated Survey and not objected to by Purchaser in its Title Objections within such period shall be deemed items that Purchaser will accept title subject to and shall also be deemed the Permitted Encumbrances. The Title Company shall deliver an amended Title Commitment reflecting the cure of the Title Objections at or prior to the Closing Date. Any liens (other than liens caused by Purchaser or Purchaser's contractors, agents and/or representatives) affecting good and indefeasible title to the Property shall be Title Objections, whether so specified in any notice by Purchaser, and Seller shall cause the same to be released at or prior to Closing.

h. If Seller fails to respond to Purchaser's notice of Title Objections within the above-referenced fourteen (14) day Seller's Optional Cure Period or timely confirms in writing to Purchaser that Seller is unwilling to cause all of the Title Objections to be removed or cured within the above-referenced fourteen (14) day Seller's Optional Cure Period, or if the Title Commitment or New/Updated Survey indicates that Seller does not own indefeasible fee simple title to the Property, Purchaser shall have the following rights as its sole and exclusive remedies, which Purchaser shall exercise no later than seven (7) business days after the earlier of (1) Seller's failure to respond within Seller's Optional Cure Period, or (2) Purchaser's receipt of Seller's confirmation of its unwillingness to cause said Title Objections to be cured or removed:

(i) to terminate this Agreement by giving Seller written notice of termination prior to the expiration of the time period in the preceding Section 6.h. (or, in the event Purchaser exercises its first option to extend the Option Period for a period of thirty (30) days pursuant to Section 5(c) and has delivered to Seller its notice of Title Objections prior to the date that is seven (7) days prior to the expiration of the Option Period as so extended by such first extension option, prior to the expiration of the Option Period as extended by such first extension option; provided, this termination deadline may not be extended beyond such initial 30-day extension of the Option Period regardless of whether Purchaser exercises any of the remaining two (2) Option Period extension options thereafter), in which event the Title Company shall release the Non-Refundable Option Deposit, Survey Reimbursement Amount, and the Schematic Plans Reimbursement Amount to Seller, and Refundable Option Fee and the Extension Deposit(s), if any, shall be released to the Purchaser, and neither party hereto shall have any further rights, duties, obligations or liabilities under this Agreement except those provisions hereof that expressly survive such termination; or

(ii) to elect to waive the Title Objections not so removed or cured and close the purchase and sale contemplated by this Agreement without any reduction in the Purchase Price in accordance with the remaining terms and provisions, whereupon the Title Objections not so removed or cured shall become a "Permitted Encumbrance," to be treated in the manner provided herein for Permitted Encumbrances.

i. On or prior to the expiration of the Option Period, Purchaser may notify Seller in writing of Purchaser's desire to either (A) proceed to Closing in accordance with this Agreement (and waiving its right to terminate this Agreement prior to the expiration of the Option Period) or (B) terminate this Agreement which Purchaser may elect if (i) Purchaser, in its sole discretion, determines that the Property is not suitable for purchase by Purchaser for Purchaser's purposes; or (ii) Purchaser is unable to obtain the approval from HUD, GLO or Houston City Council to use CDBG-DR funds to purchase the Property or such other approvals to use HUD funds as may be required to purchase the Property. In the event of termination under this subsection, the Title Company shall release the Non-Refundable Option Deposit, Survey Reimbursement Amount, the Schematic Plans Reimbursement Amount, and the second and third Extension Deposits, if any, to Seller, and the Refundable Option Fee and the first Extension Deposit, if any, to the Purchaser, and neither party hereto shall have any further rights, duties, obligations or liabilities hereunder, except for those provisions hereof that expressly survive such termination. If Purchaser fails to timely notify Seller of Purchaser's election (to either proceed to Closing or terminate this Agreement) prior to the expiration of the Option Period, Purchaser shall be deemed to have elected to terminate this Agreement in which event the Title Company shall release the Non-Refundable Option Deposit, Survey Reimbursement Amount, the Schematic Plans Reimbursement Amount, and the second and third Extension Deposits, if any, to Seller, and Refundable Option Fee and the first Extension Deposit, if any, shall be released to the Purchaser, and neither party hereto shall have any further rights, duties, obligations or liabilities under this Agreement except those provisions hereof that expressly survive such termination.

j. Schematic Plans. During the Option Period but not later than thirty (30) days from the Effective Date or the date Purchaser provides to Seller the scope requested by Purchaser, whichever is later, Seller will obtain schematic plans for the GLO approval process of the Property ("**Schematic Plans**") per the scope provided by Purchaser. Upon Seller's delivery of the Schematic Plans to Purchaser and copies of invoices for such Plans to the Title Company, the Title Company shall promptly deduct the amount paid for the Schematic Plans ("**Schematic Plans Reimbursement Amount**"), not to exceed \$100,000.00, from the Refundable Option Fee held by the Title Company and shall release the Schematic Plans to Seller or its vendor with Purchaser's written approval. The Schematic Plans Reimbursement Amount shall be deemed non-refundable to Purchaser in all events and shall not be applicable to the Purchase Price at Closing.

7. As-Is, Where-Is. Purchaser and its representatives, prior to the Closing Date, will have been afforded the opportunity to make such inspections of the Property and matters related thereto as Purchaser and its representatives desire. Purchaser acknowledges and agrees that the Property is to be sold and accepted by Purchaser in an "as-is" condition, with all faults except for (a) Seller's representations, warranties and covenants set forth in Section 3, and (b) the warranty of title in the Deed.

**PURCHASER HEREBY ACKNOWLEDGES AND AGREES THAT PURCHASER IS RELYING AND WILL RELY SOLELY UPON THE INSPECTION, EXAMINATION, AND EVALUATION OF THE PROPERTY BY PURCHASER AND THAT PURCHASER IS PURCHASING THE PROPERTY ON AN “AS IS,” “WHERE IS” AND “WITH ALL FAULTS” BASIS, WITHOUT REPRESENTATIONS, WARRANTIES AND COVENANTS, EXPRESS OR IMPLIED, OF ANY KIND OR NATURE, EXCEPT AS EXPRESSLY PROVIDED IN SECTION 3 OF THIS AGREEMENT AND EXCEPT FOR THE SPECIAL WARRANTY OF TITLE TO BE CONTAINED IN THE DEED DELIVERED AT CLOSING.**

**THE PURCHASE PRICE REFLECTS THE FACT THAT THE LAND IS BEING PURCHASED BY PURCHASER ON AN “AS IS,” “WHERE IS” BASIS, WITH ANY LIABILITIES, LATENT OR PATENT DEFECTS, OR OTHER ADVERSE MATTERS THAT MAY BE ASSOCIATED WITH THE PROPERTY AND PURCHASER HEREBY WAIVES AND RELINQUISHES (AND AT THE CLOSING WILL BE DEEMED TO WAIVE AND RELINQUISH, BY ACCEPTANCE OF THE DEED) ALL RIGHTS AND PRIVILEGES ARISING OUT OF, OR WITH RESPECT OR IN RELATION TO, ANY REPRESENTATIONS, WARRANTIES AND COVENANTS, WHETHER EXPRESS OR IMPLIED, WHICH MAY HAVE BEEN MADE OR GIVEN, OR WHICH MAY BE DEEMED TO HAVE BEEN MADE OR GIVEN, BY SELLER, OTHER THAN THE SPECIAL WARRANTY OF TITLE CONTAINED IN THE DEED AND THE REPRESENTATIONS AND WARRANTIES OF SELLER CONTAINED IN SECTION 3 OF THIS AGREEMENT TO BE EXECUTED AND DELIVERED BY SELLER AT CLOSING. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, PURCHASER HEREBY FURTHER ACKNOWLEDGES AND AGREES THAT WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE ARE EXCLUDED FROM THE TRANSACTION CONTEMPLATED HEREBY, AS ARE ANY WARRANTIES ARISING FROM A COURSE OF DEALING OR USAGE OF TRADE, AND THAT SELLER HAS NOT WARRANTED, AND DOES NOT AND WILL NOT WARRANT, THAT THE PROPERTY NOW MEETS OR IN THE FUTURE WILL MEET OR COMPLY WITH THE REQUIREMENTS OF ANY ORDINANCE, REGULATION OR SAFETY CODE OF THE CITY, COUNTY OR STATE IN WHICH THE PROPERTY IS LOCATED, OR ANY OTHER AUTHORITY OR JURISDICTION. SUBJECT TO PURCHASER’S RIGHT TO RELY ON SELLER’S WRITTEN REPRESENTATIONS AND WARRANTIES EXPRESSLY SET FORTH IN SECTION 3 OF THIS AGREEMENT, AND THE SPECIAL WARRANTY OF TITLE CONTAINED IN THE DEED, PURCHASER SHALL ASSUME ALL RISK AND LIABILITY (AND AGREES THAT SELLER SHALL NOT BE LIABLE FOR ANY SPECIAL, DIRECT, INDIRECT, CONSEQUENTIAL, OR OTHER DAMAGES) RESULTING OR ARISING FROM OR RELATING TO THE OWNERSHIP, USE, CONDITION, LOCATION, MAINTENANCE, REPAIR, OR OPERATION OF THE PROPERTY. PURCHASER, WITH PURCHASER’S COUNSEL, HAS FULLY REVIEWED THE DISCLAIMERS AND WAIVERS SET FORTH IN THIS AGREEMENT, AND UNDERSTANDS THE SIGNIFICANCE AND EFFECT**

**THEREOF, IT BEING THE EXPRESS INTENTION OF SELLER AND PURCHASER THAT THE PROPERTY WILL BE CONVEYED AND TRANSFERRED TO BUYER IN ITS PRESENT CONDITION AND STATE OF REPAIR, "AS IS" AND "WHERE IS," WITH ALL FAULTS, SUBJECT TO THE PROVISIONS HEREOF. THE PROVISIONS OF THIS PARAGRAPH SHALL SURVIVE CLOSING.**

**8. Option Period and Closing.**

a. The Option under this Agreement shall be available to and exercisable by Purchaser from the Effective Date until the expiration of the Option Period unless otherwise terminated or expired in accordance with the terms of this Agreement.

b. The consummation and closing of the sale by Seller to Purchaser of the Property contemplated by this Agreement (the "Closing") shall take place on or before the thirtieth (30<sup>th</sup>) day after expiration of the Option Period (the "Closing Date"), with the exact time, date and location of Closing to be specified in a written notice from Purchaser to Seller at least seven (7) days in advance of such Closing Date. The time, date or location of Closing may be modified by written agreement of the parties.

c. At the Closing, the following (which are mutually concurrent conditions) shall occur:

(i) Purchaser, at its sole cost and expense, shall deliver or cause to be delivered to Seller, through the Title Company:

(1) The balance due for the Purchase Price, with such amount to be paid in immediately available funds;

(2) Evidence satisfactory to Seller and the Title Company that the person executing the Closing documents on behalf of Purchaser has full right, power, and authority to do so;

(3) A counter-signed copy of the Deed (as defined below) and such other instruments duly executed by Purchaser as are customarily executed in Harris County, Texas to effectuate the conveyance of property similar to the Property, as may be reasonably required by the Title Company;

(4) Purchaser shall pay, in addition to any other costs to be paid by Purchaser as provided elsewhere in this Agreement: (a) the additional premium for area and boundary deletion and any endorsements to the Owner's Policy of Title Insurance requested by Purchaser; (b) if applicable, any costs of Purchaser's remediation of the Property; (c) incidental expenses described in 49 C.F.R. 24.106; (d) the cost to record the Deed; and (e) Purchaser's attorneys' fees; and

(ii) Seller, at its sole cost and expense, shall deliver or cause to be delivered to Purchaser, through the Title Company, the following:

(1) A special warranty deed the ("**Deed**") in form and substance substantially equivalent to the form shown on **Exhibit "B"** attached hereto and incorporated herein, fully executed and acknowledged by Seller, conveying to Purchaser good and indefeasible fee simple title in and to the Property, subject only to

the Permitted Encumbrances, which shall be set forth in an exhibit thereto and attached prior to recordation of such instrument;

(2) Evidence satisfactory to Purchaser and the Title Company that the person executing the Closing documents on behalf of Seller has full right, power, and authority to do so;

(3) An executed and acknowledged affidavit that Seller is not a "foreign person" as described in Section 3.i.;

(4) A certificate, executed and sworn to by Seller, confirming that there are no unpaid bills, claims, debts, or liens relating to the Property arising through or under Seller as of the Closing Date, except with respect to specified bills, claims, debts, or liens, in the form reasonably required by the Title Company;

(5) Such other instruments duly executed by Seller as are customarily executed in Harris County, Texas to effectuate the conveyance of property similar to the Property, as may be reasonably required by the Title Company with the effect that, after the Closing, Purchaser will have succeeded to all of the rights, titles and interests of Seller related to the Property and Seller will no longer have any rights, titles or interests in and to the Property; and

(6) Seller shall pay, in addition to any other costs to be paid by Seller as provided elsewhere in this Agreement: (a) the cost to record any releases of Title Objections (which Seller agreed to cure) that will be filed in the real property records of Harris County, Texas at Closing; (b) Seller's own attorneys' fees; (c) the basic premium of the Owner's Policy of Title Insurance in the amount of the Purchase Price; and (d) Purchaser's broker, Cushman & Wakefield of Texas, Inc. ("**Broker**"), a commission equal to three and three quarters percent (3.75%) of the total sales price in cash at Closing.

d. Any escrow fees and delivery fees charged by the Title Company, and any other routine closing fees, shall be allocated equally between Seller and Purchaser. Except as provided above, all normal and customarily pro-ratable items, including, but not limited to, real estate and personal property taxes, rents, and utility bills, if any, shall be prorated as of the Closing Date, Seller being charged and credited for all of the same up to such date and Purchaser being charged and credited for all of same on and after such date. If the actual amounts to be prorated are not known at the Closing Date, the prorations shall be made on the basis of the best evidence available, and thereafter, when actual figures are received, a cash settlement will be made between Seller and Purchaser. Seller hereby acknowledges that Purchaser is not subject to ad valorem taxes.

**9. INTENTIONALLY DELETED**

**10. INTENTIONALLY DELETED**

**11. Notices.** Any notice provided or permitted to be given under this Agreement must be in writing and may be served by depositing same with the United States Postal Service, addressed to the party to be notified, postage prepaid and in registered or certified form, with return receipt requested, or by deposit with Federal Express for overnight delivery, or other reputable overnight courier, facsimile (with retained receipt) or email (with retained receipt). Notice given as prescribed in this

Section 9 shall be effective on the date actually received at the address to which such notice was sent, or if delivery is refused or not accepted, such notice shall be effective on the date of such refusal or failure to accept delivery. Notice given in any other manner shall be effective only upon receipt by the party to whom it is addressed. For purposes of notice, the addresses of the parties shall be as follows:

If to Seller, to: Quasar City Park LTD  
Attention: Avi Ron  
4808 Gibson Street, 3<sup>rd</sup> Floor  
Houston, Texas 77007  
Telephone:  
E-mail: [avi@urbanmeridian.com](mailto:avi@urbanmeridian.com)

With copy to: The Fowell Law Firm  
Attention: Jason L. Fowell  
1523 Yale Street  
Houston, Texas 77008  
Telephone: (832) 372-6766  
E-mail: [jason@fowelllawfirm.com](mailto:jason@fowelllawfirm.com)

If to Purchaser, to: City of Houston, Texas  
Housing and Community Development Department  
Attention: Rupa Sen  
2100 Travis Street, 9<sup>th</sup> Floor  
Houston, Texas 77002  
Telephone: (832) 393-6217  
E-mail: [rupa.sen@houstontx.gov](mailto:rupa.sen@houstontx.gov)

With copy to: City of Houston Legal Department  
Attn.: City Attorney  
900 Bagby Street, 4th Floor  
Houston, Texas 77002  
[arturo.michel@houstontx.gov](mailto:arturo.michel@houstontx.gov)

Either party may change its address to another location in the continental United States, upon five (5) days' prior written notice to the other given in the manner provided above.

**12. Brokerage.** Purchaser has engaged Broker in connection with the negotiation or execution of this Agreement. Seller shall be responsible for the payment of any commission or fee thereof to Broker pursuant to Section 8(c)(ii)(6). Each of Seller and Purchaser represents and warrants to the other as of the Effective Date and as of Closing that, except for Broker, no broker, agent or finder, licensed or otherwise, has been engaged by it in connection with the transaction contemplated under this Agreement. If any claim is made for undisclosed compensation owed to a broker, agent or finder in connection with this transaction, other than Broker (as defined in Section 8(c)(ii)(6)), the party upon whose alleged statement, representation or agreement such claim arises shall indemnify, defend (with counsel selected by the indemnified party) and hold the other party harmless from and against such claim. This Section shall survive Closing or termination of this Agreement.

**13. Assignment.** Purchaser shall have the right, after giving written notice to Seller, to assign its rights to this Agreement to a qualified governmental entity (including a local government corporation) or non-profit affiliate of Purchaser. Purchaser may not assign its rights under this Agreement to an entity not affiliated with Purchaser without the prior written consent of Seller, which shall not be unreasonably withheld. Seller shall have the right to assign title to the Property, including Seller's rights to this Agreement, to a third party whereby such assignee agrees in writing to honor the terms of this Agreement. Seller shall provide Purchaser with written notice of the assignment within five (5) days of such assignment. Subject to the foregoing, this Agreement shall inure to the benefit of and be binding on the parties hereto and their respective heirs, legal representatives, successors and permitted assigns.

**14. Governing Law; Enforcement.**

a. This Agreement shall be construed and interpreted in accordance with the applicable laws of the State of Texas and City of Houston, Texas. Venue for any disputes relating in any way to this Agreement shall lie exclusively in Harris County, Texas.

b. Should any provision of this Agreement require judicial interpretation, Seller and Purchaser hereby agree and stipulate that the court interpreting or considering the same shall not apply the presumption that the terms hereof shall be more strictly construed against a party by reason of any rule or conclusion that a document should be construed more strictly against the party who prepared the same, it being agreed that all parties to this Agreement have participated in the preparation of this Agreement and that each party had full opportunity to consult legal counsel of its choice before the execution of this Agreement.

c. Purchaser's city attorney or its designee (the "City Attorney") shall have the right to enforce all legal rights and obligations under this Agreement without further authorization from other City of Houston officials, and Seller covenants to use commercially reasonable efforts to provide the City Attorney with all documents and records that the City Attorney reasonably deems necessary to assist in determining Seller's compliance with this Agreement, with the exception of those documents made confidential by federal or State law or regulation, but in no event shall Seller be required to provide to Purchaser documents protected under the attorney/client and/or work product privileges.

**15. Remedies.**

a. If Purchaser fails or is unable to perform its obligations pursuant to this Agreement (other than with respect to Purchaser's obligation to timely close as required hereunder, for which Purchaser shall have no cure opportunity) for any reason other than Purchaser's termination hereof pursuant to a right granted to Purchaser in this Agreement to do so, or breach by Seller of its promises, representations, warranties under this Agreement, then Seller shall give Purchaser written notice of the default. If Purchaser fails to cure its default within thirty (30) days after receipt of such notice, Seller, as its sole and exclusive remedy, shall have the right to terminate this Agreement by giving Purchaser written notice thereof, in which event neither party hereto shall have any further rights, duties, obligations or liabilities hereunder except those provisions hereof that expressly survive such termination, and if within the Option Period, the Title Company shall promptly release the Non-Refundable Option Deposit, and any interest thereon, and the second and third Extension Deposits, if any, to Seller; the Survey

Reimbursement Amount and the Schematic Plans Reimbursement Amount to the respective vendors; and the Refundable Option Fee and the first Extension Deposit, if any, to Purchaser. If such default occurs after the expiration of the Option Period, and it is not timely cured by Purchaser, the Title Company shall promptly release (i) the Non-Refundable Option Deposit, together with any interest thereon, the Extension Deposits, if any, and the Refundable Option Fee to Seller and (ii) the Survey Reimbursement Amount, the Schematic Plans Reimbursement Amount to the respective vendors. **THE PARTIES AGREE THAT IT WOULD BE IMPRACTICAL OR EXTREMELY DIFFICULT TO FIX ACTUAL DAMAGES IF PURCHASER DEFAULTS OR FAILS TO CLOSE, THAT THE NON-REFUNDABLE OPTION DEPOSIT (OR, IF APPLICABLE, THE REFUNDABLE OPTION FEE) IS A REASONABLE ESTIMATE OF THESE DAMAGES AS OF THE EFFECTIVE DATE, AND THAT SELLER WILL RETAIN SAME AS SELLER'S SOLE AND EXCLUSIVE RIGHT TO DAMAGES IN CONNECTION WITH PURCHASER'S DEFAULT OR FAILURE TO CLOSE AS PROVIDED HEREIN.**

b. If Seller fails or is unable to perform any of its obligations pursuant to this Agreement for any reason other than Seller's right of termination of this Agreement pursuant to a right granted to Seller in this Agreement to do so, or breach by Purchaser of its promises, representations, or warranties under this Agreement, then Purchaser shall give Seller written notice of the default. If Seller fails to cure its default within thirty (30) days after receipt of such notice, or if any of Seller's promises, representations or warranties made under this Agreement, or any of the information furnished by Seller pursuant hereto, should be either false or misleading in any material respect, then Purchaser shall have the right and option, as its sole and exclusive remedies, to:

(i) terminate this Agreement by giving Seller written notice of termination, in which event neither party to this Agreement shall have any further rights, duties, obligations or liabilities under this Agreement except those provisions that expressly survive such termination, and the Title Company shall release the Refundable Option Fee and interest thereon to Purchaser (and the Title Company shall release the Non-Refundable Option Deposit, the Survey Reimbursement Amount, the Schematic Plans Reimbursement Amount, and the second and third Extension Deposits, if any, to Seller); or

(ii) enforce specific performance of the obligations of Seller to convey the Property to Purchaser pursuant to the terms hereof and to perform its other obligations under this Agreement, provided that, in the event that Purchaser seeks specific performance, an action seeking such remedy must be filed within ninety (90) days of Seller's default or alleged default, or the same shall be deemed barred and Purchaser's sole remedy shall be as set forth in (i) above.

**16. Damage or Taking Prior to Closing.** Prior to Closing, risk of loss with regard to the Property shall be borne by Seller. If, prior to Closing, the Property, or any portion of the Property, is materially damaged or becomes subject to a taking (other than by the Purchaser) by virtue of eminent domain, Purchaser shall have the option, which must be exercised by it within fifteen (15) business days (and the Closing will be automatically extended, if necessary, to provide Purchaser with such fifteen (15) business day period) after its receipt of written notice from Seller advising of such damage or taking (which Seller hereby agrees to give), to terminate this Agreement or

to proceed with the Closing. If Purchaser elects to terminate this Agreement for any reason set forth in this Section, all rights, duties, obligations and liabilities created under this Agreement shall cease except those provisions hereof that expressly survive such termination, and the Title Company shall release the Non-Refundable Option Deposit, the Survey Reimbursement Amount, the Schematic Plans Reimbursement Amount, and the second and third Extension Deposits, if any, to Seller and shall release the Refundable Option Fee and the first Extension Deposit, if any, to Purchaser. If Purchaser elects to proceed with the Closing, all rights, duties, obligations and liabilities created under this Agreement shall continue, and (a) Purchaser shall be entitled to any and all insurance proceeds or condemnation awards payable as a result of such damage or taking, and (b) Seller shall assign to Purchaser at Closing all of Seller's rights to such proceeds or awards.

**17. Entire Agreement.** This Agreement is the entire agreement between Seller and Purchaser concerning the sale of the Property and no modification of this Agreement or subsequent agreement relative to the subject matter of this Agreement shall be binding on either party unless in writing and signed by both parties. This Agreement may be amended only by written instrument executed on behalf of Purchaser (by authority of an ordinance adopted by the City Council of the City of Houston, Texas) and Seller.

**18. Exhibits and Schedules.** Attached hereto and incorporated in this Agreement by this reference for all purposes is the following exhibits and schedules:

|             |  |
|-------------|--|
| Exhibit "A" | PROPERTY DESCRIPTION                         |
| Exhibit "B" | SPECIAL WARRANTY DEED                        |
| Schedule 1  | Voluntary Acquisition – Informational Notice |
| Schedule 2  | Texas Disclosures                            |

**19. Confidentiality.** Seller and Purchaser agree to use their best efforts to keep confidential price, terms, condition, and all other information that is a part of this transaction. Seller and Purchaser agree that they will disclose such matters only to such third parties as may be necessary to carry out usual and customary activities related to the transaction. Notwithstanding the foregoing, both parties acknowledge that the terms of this transaction may become known to the public when the matter is considered by the City Council of the City of Houston, Texas or pursuant to a request under the Texas Public Information Act.

**20. Miscellaneous.**

a. The captions used herein are for convenience only and do not limit or amplify the provisions hereof.

b. Each and every agreement contained in this Agreement is, and shall be construed as, a separate and independent agreement. If any provision of this Agreement should be held to be invalid or unenforceable, the validity and enforceability of the remaining provisions of this Agreement shall not be affected.

c. The obligations of the Agreement that cannot be performed before termination of this Agreement, or before Closing, will survive termination of this Agreement or Closing, and the legal doctrine of merger will not apply to these matters. However, if there is any express conflict between the Closing documents provided pursuant to Section 8 hereinabove and this Agreement, the Closing documents will control.

d. Time is of the essence in this Agreement.

e. If this Agreement is executed in multiple counterparts, all counterparts taken together will constitute this Agreement.

f. Following the execution of this Agreement by Purchaser through its Mayor and countersigned by the City of Houston Controller, the Director of the Housing and Community Development Department, City of Houston, Texas, or his designee (the "Director"), shall have the authority to act on the behalf of Purchaser in making extensions to the Closing Date or to make other minor modifications to this Agreement, in writing and in consultation with the City Attorney, for the purposes of enabling the achievement of the Purchaser's objectives to acquire the Property from Seller and which do not require further approvals by the City Council of the City of Houston, Texas. The Director is only authorized to perform the functions specifically delegated to him or her in this Agreement.

**21. Signature Authority.** Each party represents that the person signing this Agreement on behalf of such party is duly authorized and has legal capacity to execute and deliver this Agreement. Each party represents and warrants to the other that the execution and delivery of this Agreement and the performance of such party's obligations under this Agreement have been duly authorized and that the Agreement is a valid and legal agreement binding on such party and enforceable in accordance with its terms.

**22. Voluntary Acquisitions Program.** Seller acknowledges the following:

a. The acquisition of the Property with CDBG-DR funds is subject to the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 ("URA"). Specifically, 24 C.F.R. 570.606(e) requires that acquisition of the Property must comply with URA requirements at 49 C.F.R. Part 24.

b. Purchaser is interested in acquiring the Property with CDBG-DR funds for a residential project under the Harvey Single Family Development Program.

c. Seller has no obligation to sell the Property for the project, but Seller is voluntarily selling the Property to Purchaser, subject to the terms and conditions of this Agreement, and Purchaser will not use the power of eminent domain to acquire the Property. Seller has received and executed the Voluntary Acquisition – Informational Notice dated February 7, 2022, a copy of which is attached to this Agreement as Schedule 1 and incorporated herein, as well as any other written communications, as required by applicable laws, regulations and procedures.

d. In accordance with the URA, owner-occupants who move as a result of a voluntary acquisition are not eligible for relocation assistance. However, any resulting displacement of a tenant is subject to the regulations in 49 C.F.R. Part 24.

**23. Texas Disclosures.** Seller hereby makes the required notices and disclosures attached hereto as Schedule 2 to Purchaser.

**24. Extensions.** Any time period or deadline set forth in this Agreement may be extended by mutual written agreement of the parties. The Purchaser Representative is authorized to extend such deadlines on behalf of the Purchaser.

**25. Exchange.** Seller may elect to participate in a tax-deferred exchange under the Internal Revenue Code. Purchaser will reasonably cooperate with such election; however, the Purchaser will have no obligation to incur any cost or liability or to take title to any other real property (other than Purchaser's acquisition of the Property under this Agreement), and the Closing will not be conditioned on or unreasonably delayed by such exchange.

***[Execution pages follow]***

**EXECUTED IN MULTIPLE ORIGINAL COUNTERPARTS**, each of which shall be an original, which together shall constitute but one and the same instrument, effective as of the date of countersignature by the City Controller of the City of Houston. The parties hereby agree that each party may sign and deliver this Agreement electronically or by electronic means and that an electronic transmittal of a signature, including but not limited to, a scanned signature page, will be as good, binding, and effective as an original signature.

SELLER

**QUASAR CITY PARK LTD,**  
a Texas limited partnership

DocuSigned by:  
  
By: 6615E85EA6A4E457  
Name: AVISHAI Ron  
Title: Managing Member  
Tax I.D. No. 83-2453626

DS



ATTEST:

DocuSigned by:

*Pat Jefferson-Daniel*

Pat Jefferson-Daniel  
City Secretary

PURCHASER

**CITY OF HOUSTON, TEXAS**, a  
municipal corporation

DS

*Sylvester Turner*

Sylvester Turner  
Mayor of the City of Houston

DocuSigned by:

*MARVALETTE HUNTER*

E2DA8C2147D14F3...

APPROVED AND RECOMMENDED:

DocuSigned by:

*Keith W. Bynam*

Keith W. Bynam  
Interim Director, Housing and Community  
Development Department

COUNTERSIGNED

*Chris B. Brown*

Chris B. Brown  
City Controller

DocuSigned by:

*Lenard Polk*

69DD4F50D145438...

Countersignature Date:

3/29/2022

APPROVED AS TO FORM:

DocuSigned by:

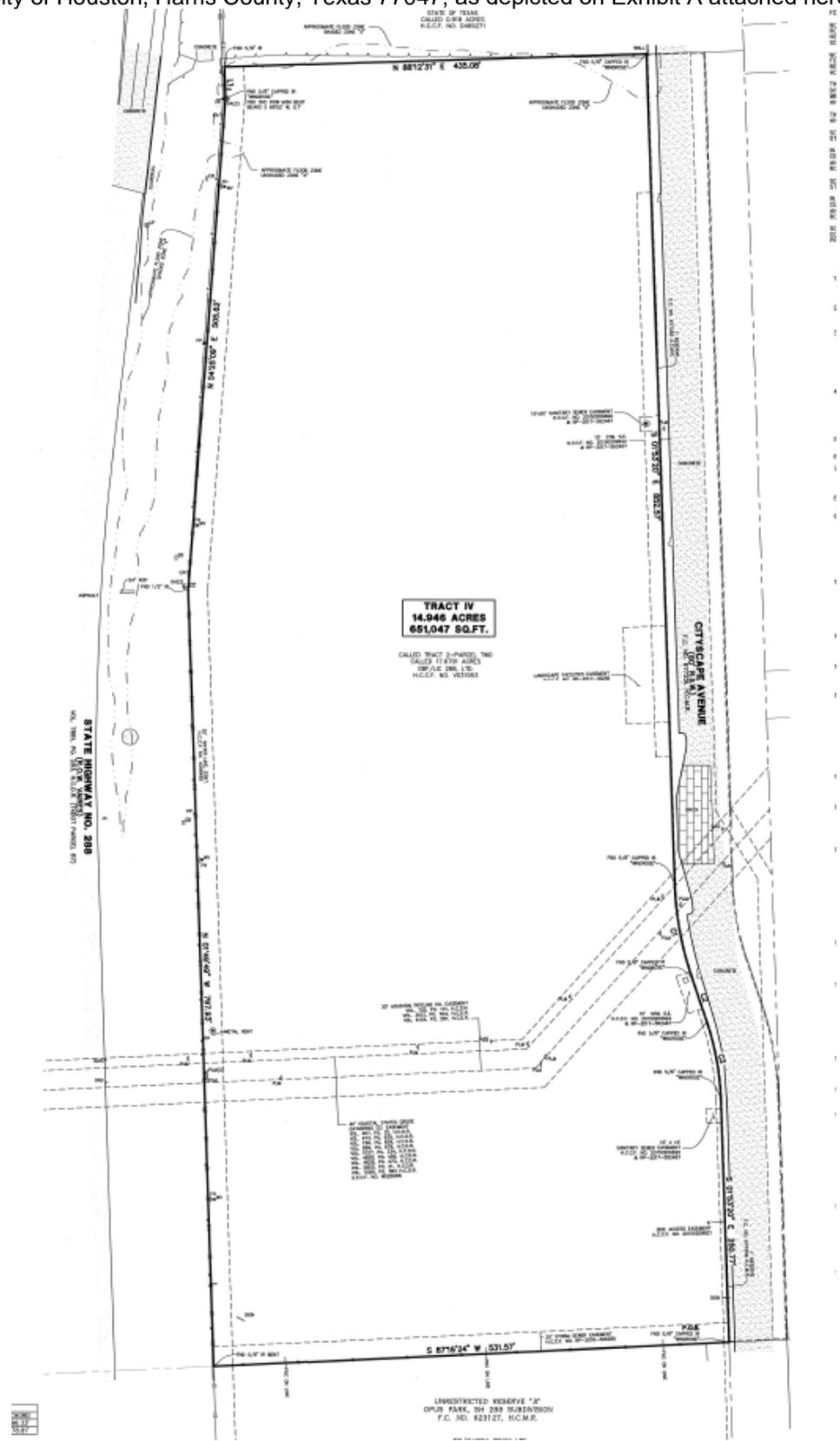
*David Chang*

David Chang  
Senior Assistant City Attorney  
L.D. File Number: 0292200029001

**EXHIBIT "A"**

### Exhibit A Property Description

±14.946 acres (±651,047 square feet) of land located on the east side of State Highway 288 just south of East Orem Drive, City of Houston, Harris County, Texas 77047, as depicted on Exhibit A attached hereto ("Property")



**EXHIBIT "B"**

**When recorded, return to:**

**THE CITY OF HOUSTON  
2100 Travis, 9<sup>th</sup> Floor  
Houston, TX 77251-1562  
Attention: Real Estate Manager-Ms. Rupa Sen, Housing and Community  
Development Department**

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

**SPECIAL WARRANTY DEED**

\_\_\_\_\_, 2022

STATE OF TEXAS       §  
                                  §  
                                  §  
COUNTY OF HARRIS   §

**QUASAR CITY PARK LTD**, a Texas limited partnership ("**Grantor**"), for and in consideration of the sum of Ten and No/100 Dollars (\$10.00) and other valuable consideration, the receipt and sufficiency of which consideration are hereby acknowledged, by these presents does hereby Grant, Bargain, Sell, and Convey, unto the **CITY OF HOUSTON, TEXAS**, a municipal corporation situated in Harris, Fort Bend and Montgomery Counties, Texas ("**Grantee**"), for itself and its successors and assigns (i) all that real property situated in the County of Harris, State of Texas, and more particularly described on **Exhibit A** attached hereto and made a part hereof for all purposes, and (ii) together with all improvements now or hereafter situated thereon (collectively, the "**Property**"), TOGETHER with all and singular tenements, hereditaments and appurtenances thereunto belonging or in any way appertaining thereto.

This Deed is made and accepted expressly subject to the matters set forth in **Exhibit B** attached hereto and made a part hereof for all purposes ("Permitted Encumbrances").

TO HAVE AND TO HOLD the Property, together with all and singular the rights and appurtenances belonging in any way to the Property, unto the said Grantee, its successors and assigns forever, and Grantor binds itself and its successors and assigns to warrant and forever defend all and singular the Property to Grantee, its successors and assigns against every person lawfully claiming or to claim all or any part of the Property, by, through or under Grantor, but not otherwise.

IN WITNESS WHEREOF, the parties have executed this Special Warranty Deed to be effective as of the date first written herein.

GRANTOR:

**QUASAR CITY PARK LTD,**  
a Texas limited partnership

By: \_\_\_\_\_  
Name:  
Title: President

THE STATE OF TEXAS

§  
§  
§

COUNTY OF HARRIS

This instrument was acknowledged before me on the \_\_\_ day of \_\_\_\_\_, 2022, by \_\_\_\_\_, \_\_\_\_\_ of QUASAR CITY PARK LTD, a Texas limited partnership, on behalf of said limited partnership

\_\_\_\_\_  
Notary Public

GRANTEE:

APPROVED AS TO FORM:

\_\_\_\_\_  
Senior Assistant City Attorney  
L.D. File Number:

Grantee's Address:

City of Houston  
2100 Travis, 9<sup>th</sup> Floor  
Houston, TX 77251-1562  
Attention: Real Estate Manager-Ms. Rupa Sen, Housing and Community  
Development Department

\_\_\_\_\_, 2022

An original, fully executed copy of this Agreement has been received by the Title Company, and by execution hereof the Title Company hereby covenants and agrees to be bound by the terms of this Agreement to the extent permissible, without violation of Procedural Rule 35, as promulgated by the Texas State Board of Insurance.

MAGNOLIA TITLE COMPANY

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

EXHIBIT B

Permitted Encumbrances

***[To be inserted]***

**SCHEDULE 1**

**VOLUNTARY ACQUISITION – INFORMATIONAL NOTICE**

VOLUNTARY ACQUISITION – Informational Notice - (Agencies with Eminent Domain Authority)

Grantee or Agency Letterhead

**NOTICE OF INTEREST**



# CITY OF HOUSTON

Housing & Community Development Department

**Sylvester Turner**

Mayor

Keith W. Bynam  
Interim Director  
2100 Travis, 9<sup>th</sup> Floor  
Houston, Texas 77002

T. (832) 394-6200  
F. (832) 395-9662  
[www.houstontx.gov/housing](http://www.houstontx.gov/housing)

February 07, 2022

## NOTICE OF INTEREST

Dear Sir,

City of Houston, is interested in acquiring property you own at 14.946 acres located at the East Side of State Highway 288 just South of East Orem Drive, Houston, TX 77047, for a proposed project which may receive funding assistance from the U.S. Department of Housing and Urban Development (HUD) under the Affordable Home Development Program. Federal funds are administered by the City's Housing and Community Development Department.

Please be advised that the City of Houston possess eminent domain authority to acquire property, however, in the event you are not interested in selling your property, or if we cannot reach an amicable agreement for the purchase of your property, we will **not** pursue its acquisition under eminent domain. Your property is not a necessary part of the proposed project and is not part of an intended, planned, or designed project area where substantially all of the property within the area is to be acquired.

The fair market value is estimated to be \$11,849,055.00 to purchase your property. However, since this transaction is voluntary; current or future negotiations may result in a different price that may be the same, or higher or lower than this amount. Please contact us at your convenience if you are interested in selling your property.

The property must be evaluated in accordance with the environmental regulations at 24 C.F.R. Part 58 and the National Environmental Policy Act (NEPA) at 40 C.F.R. Parts 1500-1508, as applicable. If the information found indicates that the property is not compliant with an applicable law or authority, the Seller(s) and Buyer(s) must be provided the opportunity to withdraw from the agreement without penalty.

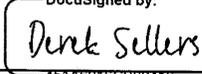
In accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA), owner-occupants who move as a result of a voluntary acquisition are **not** eligible for relocation assistance. However, tenant-occupants displaced as a result of voluntary acquisition may be entitled to URA relocation assistance and must be informed in writing as soon as feasible.

If you have any questions about this notice or the proposed project, please contact:

**Rupa Sen**

2100 Travis Street, 9<sup>th</sup> FL| Houston, Texas 77002  
Ph: 832-394-6217| email: [rupa.sen@houstontx.gov](mailto:rupa.sen@houstontx.gov)

Very Truly Yours,

DocuSigned by:  
  
451AP9167BU0216  
Derek Sellers, Deputy Director

**SELLER'S RECEIPT AND ACKNOWLEDGMENT OF NOTICE OF INTEREST**

 2/7/22  
Name: Avi Ron Date  
Title: managing member of Quasar City Park Ltd.

\_\_\_\_\_  
Name: Date  
Title:

## SCHEDULE 2

### TEXAS DISCLOSURES

1.1 **Notice Required by Chapter 49, Water Code.** If all or any part of the Property is situated in a utility or other statutorily created district providing water, sewer, drainage, or flood control facilities and services pursuant to Chapter 49 of the Texas Water Code, then Seller shall deliver to Purchaser, and Purchaser shall execute, the statutory notice relating to the tax rate, bonded indebtedness, or standby fees of the district prior to or concurrently with the execution and delivery of this Agreement.

1.2 **Notice Required by § 13.257, Water Code.** Pursuant to Section 13.257 of the Texas Water Code, please be advised as follows: “The real property, described above, that you are about to purchase may be located in a certificated water or sewer service area, which is authorized by law to provide water or sewer service to the properties in the certificated area. If your property is located in a certificated area there may be special costs or charges that you will be required to pay before you can receive water or sewer service. There may be a period required to construct lines or other facilities necessary to provide water or sewer service to your property. You are advised to determine if the property is in a certificated area and contact the utility service provider to determine the cost that you will be required to pay and the period, if any, that is required to provide water or sewer service to your property.” Purchaser hereby acknowledges receipt of the foregoing notice at or before the execution of this Agreement for the purchase of the Land and improvements described herein.

1.3 **Annexation Notice.** To the extent Section 5.011 of the Texas Property Code is applicable to all or any portion of the Property or this transaction, Purchaser hereby acknowledges and agrees that Seller delivered the following notice to Purchaser prior to execution of this Agreement:

#### “NOTICE REGARDING POSSIBLE ANNEXATION

If the property that is the subject of this Agreement is located outside the limits of a municipality, the property may now or later be included in the extraterritorial jurisdiction. To determine if the property is located within a municipality’s extraterritorial jurisdiction or is likely to be located with a municipality’s extraterritorial jurisdiction, contact all municipalities located in the general proximity of the property for further information. The foregoing notice has been given solely in order to comply with Section 5.011 of the Texas Property Code and Seller makes no representation whether and to what extent the property may already be located within the limits of a municipality.”

#### 1.4 **STATUTORY NOTICE REGARDING POSSIBLE LIABILITY FOR ADDITIONAL TAXES.**

**“STATUTORY NOTICE REGARDING POSSIBLE LIABILITY FOR ADDITIONAL TAXES. If for the current ad valorem tax year the taxable value of the land that is the subject of this Agreement is determined by a special appraisal method that allows for appraisal of the land at less than its market value, the person to whom the land is transferred may not be allowed to qualify the land for that special appraisal in a subsequent tax**

year and the land may then be appraised at its full market value. In addition, the transfer of the land or a subsequent change in the use of the land may result in the imposition of an additional tax plus interest as a penalty for the transfer or the change in the use of the land. The taxable value of the land and the applicable method of appraisal for the current tax year is public information and may be obtained from the tax appraisal district established for the County in which the land is located.”

1.5 **Intentionally Deleted.**

1.6 **Additional Texas Statutory Notices.**

1.6.1 **INTENTIONALLY DELETED**

1.6.2 **Notice of Property Located in an Agricultural Development District.** If the Property is located in an agricultural development district, then in accordance with § 60.063 of the Texas Agricultural Code: (1) Seller shall give to Purchaser a written notice that the Property is located in such a district at least one (1) business day prior to the expiration of the Option Period; (2) Purchaser agrees to acknowledge receipt of the notice in writing once received; and (3) at the Closing, a separate copy of the notice with current information about the district will be executed by Seller and Purchaser and recorded in the deed records of the county in which the Property is located.

1.6.3 **Public Improvement Districts.** If the Property is in a public improvement district, §5.014 of the Texas Property Code, requires Seller to notify Purchaser as follows: As a Purchaser of this Property, Purchaser is obligated to pay an assessment to a municipality or county for an improvement project undertaken by a public improvement district under Chapter 372 of the Texas Local Government Code. The assessment may be due annually or in periodic installments. More information concerning the amount of the assessment and the due dates of that assessment may be obtained from the municipality or county levying the assessment. The amount of the assessments is subject to change. Purchaser’s failure to pay the assessments could result in a lien on and the foreclosure of the Property.

1.6.4 **Propane Gas System Service Area.** If the Property is located in a propane gas system service area owned by a distribution system retailer, Seller must give Purchaser written notice as required by § 141.010 of the Texas Utilities Code, which notice shall be given at least one (1) business day prior to the expiration of the Option Period.