

CONTRACT OF SALE AND PURCHASE

THIS CONTRACT OF SALE AND PURCHASE ("**Contract**") is made and entered into by and between the **CITY OF FORT WORTH, TEXAS**, a home rule Municipal Corporation of the State of Texas ("**Seller**"), acting by and through its duly authorized City Manager or Assistant City Manager and **HOQUE GLOBAL PROPERTIES LLC**, a Texas limited liability company, ("**Purchaser**") as of the date on which this Contract is executed by the last to sign of Seller and Purchaser ("**Effective Date**").

RECITALS

WHEREAS on October 19, 2021 the Fort Worth City Council approved certain real estate transactions necessary for the Evans and Rosedale Redevelopment and Affordable Housing Project (the "Project") (M&C 21-0810); and

WHEREAS Seller is the owner of five parcels of property located in the Historic Southside Neighborhood, the Evans and Rosedale Urban Village, Tax Increment Reinvestment Zone Number 4, and Census Tract 1231.001, together with all easements, rights-of-way, licenses, interests, and rights appurtenant thereto, said property being more particularly described in Exhibit "A," attached hereto and incorporated herein by reference for all purposes; and

WHEREAS in order to complete the Project and for the development of low-income or moderate-income housing, Seller has agreed to sell the property to Purchaser for \$1.00 per parcel in accordance with Local Government Code section 272.001(g); and

WHEREAS to effectuate and maintain the public purpose of developing low-income or moderate-income housing, the property will be sold to Purchaser subject to a Deed of Trust to Secure Performance, ensuring that the required low-income or moderate-income housing will be offered at the property for at least fifteen years.

AGREEMENT

In consideration of the mutual covenants in this Contract, Seller and Purchaser agree as follows:

Section 1. Sale and Purchase.

(a) Subject to the terms and conditions of this Contract, Seller agrees to sell and convey to Purchaser and Purchaser agrees to purchase and accept from Seller, the following right and property:

- (i) The Property. Seller agrees to sell and convey to Purchaser and Purchaser agrees to purchase and accept from Seller, on and subject to the terms and conditions set forth in this Contract, the land more particularly described on the attached Exhibit "A," which is attached hereto and incorporated herein by reference for all purposes (the "**Land**"), together with (i) all buildings, fixtures, structures and improvements thereon; (ii) any strips or gores between the Land and all abutting properties; (iii) all roads, alleys, rights-of-way, easements, streets and ways adjacent to or serving the Land and rights of ingress and egress thereto, whether surface, subsurface or otherwise; (iv) any land lying in the bed of any street, road or access way, opened or proposed, in front of, at a side of or adjoining the Land, to the centerline of such street, road or access way; and (v) all licenses, interests, and

rights appurtenant to the Land; save and except, however, any and all oil, gas and other minerals owned by Seller and lying under, in, on or about or constituting a part of such Land and all other subsurface rights, which shall be reserved to Seller subject to a waiver of surface rights as set forth in the Deed. The Land and Items (i)-(v) are collectively referred to as the “**Property.**”

(b) Seller shall convey the Property to Purchaser free and clear of all liens, claims, easements, rights-of-way, reservations, restrictions, encroachments, tenancies, and any other encumbrances (collectively, the “**Encumbrances**”) except the Encumbrances appearing in the Title Commitment and the Survey (hereinafter defined) that are not cured and that are subsequently waived pursuant to Section 3 (“**Permitted Encumbrances**”).

Section 2. Independent Contract Consideration and Purchase Price.

(a) Contemporaneously with the execution of this Contract, Purchaser delivers to Seller a check in the amount of \$100.00 (“**Independent Contract Consideration**”) as independent consideration for Seller’s execution, delivery and performance of this Contract. This Independent Contract Consideration is in addition to and independent of any other consideration or payment provided for in this Contract, is non-refundable, and shall be retained by Seller notwithstanding any other provision of this Contract; however, upon Closing (as hereinafter defined), the Independent Contract Consideration shall be applied as a credit toward the Purchase Price (as hereinafter defined).

(b) The purchase price (“**Purchase Price**”) for the Property, payable by Purchaser to Seller at Closing (as defined below), is **FIVE DOLLARS AND 00/100 (\$5.00)**. Purchaser agrees that the Property shall be used for the development of low-income or moderate-income housing and that the Purchase Price is in accordance with Local Government Code section 272.001(g).

Section 3. Title Commitment and Survey.

(a) Within twenty (20) days after the Effective Date, Purchaser shall obtain at Purchaser’s sole cost and expense, a Commitment for Title Insurance (“**Title Commitment**”) from Kensington Vanguard National Land Services, 5005 Lyndon B. Johnson Fwy, Suite 200, Dallas, Texas 75244, Telephone: 214-269-2360, Attention: James Wirtz (the “**Title Company**”). The Title Commitment shall be effective as of a date which is on or after the Effective Date, showing Seller, or the Fort Worth Local Development Corporation, as the record title owner of the Land, and shall show all Encumbrances and other matters, if any, relating to the Property. The Title Company shall also deliver contemporaneously with the Title Commitment legible copies of all documents referred to in the Title Commitment, including but not limited to, plats, reservations, restrictions, and easements. Upon receipt, Purchaser shall deliver a copy of the Title Commitment and all documents referred to in the Title Commitment to Seller.

(b) Within forty-five (45) days after the Effective Date, Purchaser may, at Purchaser’s sole cost and expense, elect to obtain a survey of the Land (the “**Survey**”), as necessary in order for the Title Company to delete the standard promulgated print survey exception from the Title Policy, amend the general survey exceptions to "shortages in area", and otherwise satisfy Purchaser's objectives. Upon receipt, Purchaser shall deliver a copy of the Survey to Seller and cause Seller to be named in the surveyor's certificate. If Purchaser obtains a Survey, the legal description used in the Survey will be legal description used in the Closing documents contemplated herein.

(c) Purchaser shall have a period of time (“**Title Review Period**”) commencing on the Effective Date and expiring ten (10) days after the first date on which Purchaser has received both the Title Commitment (and exception instruments) and the Survey, in which to notify Seller in writing of any objections (“**Objections**”) Purchaser has to any matters shown on the Title Commitment or the Survey.

(d) Seller shall have the option, but not the obligation, to remedy or remove all Objections (or agree irrevocably in writing to remedy or remove all such Objections at or prior to Closing) during the period of time (the “**Cure Period**”) ending on the third (3rd) day after Seller's receipt of Purchaser's notice of such Objections. Except to the extent that Seller cures, or agrees in writing to cure, such Objections during the Cure Period, Seller shall be deemed to have elected not to cure such matters. If Seller is, or is deemed to be, unable or unwilling to remedy or cause the removal of any Objections (or agree irrevocably to do so at or prior to Closing) within the Cure Period, then either (i) this Agreement may be terminated in its entirety by Purchaser by giving Seller written notice to such effect during the period of time (the “**Termination Period**”) ending on the third day following the end of the Cure Period and the parties shall be released of further obligations under this Agreement; or (ii) any such Objections may be waived by or on behalf of Purchaser, with Purchaser to be deemed to have waived such Objections if notice of termination is not given within the Termination Period. Any title encumbrances or exceptions which are set forth in the Title Commitment or the Survey and to which Purchaser does not object within Title Review Period (or which are thereafter waived or deemed to be waived by Purchaser) shall be deemed to be permitted exceptions (the "Permitted Exceptions") to the status of Seller's title to the Property.

(d) Any other provision herein to the contrary notwithstanding, (i) all exceptions disclosed in the Title Commitment (or any subsequent commitment) which arise on or after the Effective Date of this Agreement and are not attributable to actions by Purchaser and (ii) all Objections that Seller agrees in writing to cure at or prior to Closing (collectively, the “**Mandatory Cure Items**”) shall be satisfied, cured or removed by Seller, at Seller's sole cost and expense, at or prior to Closing.

Section 4. Due Diligence Documents. Within 5 days after the Effective Date, Seller shall deliver to Purchaser for Purchaser's review (i) any and all tests, construction plans, studies and investigations relating to the Property and the operation and maintenance thereof, including, without limitation, any soil tests, engineering reports or studies, and any Phase I or other environmental audits, reports or studies of the Property; (ii) any and all information regarding condemnation notice(s), proceedings and awards affecting the Property; and (iii) all proposed or existing private covenants, conditions and restrictions, of which the Property will be a part and any other private agreements affecting the use or development of the Property.

Section 5. Tests and Plans.

Within twenty (20) days of the Effective Date, Seller shall provide to Purchaser copies of the final versions of all third-party construction plans, studies and investigations prepared for Seller and relating to the Property and the operation and maintenance thereof, including such final soil tests, engineering reports or studies, and any Phase I or other environmental audits, reports or studies of the Property. Purchaser, at Purchaser's sole cost and risk, shall have the right to go on to the Property to make inspections, surveys, test borings, soil analysis, and other tests, studies and surveys, including without limitation, environmental and engineering tests, borings, analysis, and studies (“**Tests**”). Any Tests shall be conducted at Purchaser's sole expense. At the conclusion of the Tests, the Property will be restored by Purchaser, at Purchaser's sole expense, to at least a similar condition as before the Tests were conducted. In the event this transaction does not close for any reason whatsoever, the Purchaser shall release to Seller any and all independent studies or results of Tests obtained before the Closing Deadline.

Section 6. Closing Deadline. The closing (“**Closing**”) of the sale of the Property by Seller to Purchaser shall occur through the office of the Title Company on or before December 31, 2023.

Section 7. Closing.

(a) At the Closing, all of the following shall occur, all of which are deemed concurrent conditions:

(1) Seller, at Seller's sole cost and expense, shall deliver or cause to be delivered to Purchaser the following:

- (i) A Special Warranty Deed in the form attached hereto as **Exhibit “B” (“Deed”)**, fully executed and acknowledged by Seller, subject only to the Permitted Exceptions;
- (ii) A Deed of Trust to Secure Performance in a form reasonably approved by Seller and Purchaser (**“Deed of Trust”**), ensuring the continuing availability of low-income or moderate-income housing on the Property;
- (iii) A Non-Foreign Person Affidavit, in form and substance reasonably satisfactory to Purchaser, fully executed and acknowledged by Seller, confirming that Seller is not a foreign person or entity within the meaning of Section 1445 of the Internal Revenue Code of 1986, as amended;
- (iv) Evidence of authority to consummate the sale of the Property as is contemplated in this Contract or as Title Company may reasonably request;
- (v) Any other instrument or document necessary for Title Company to issue the Owner Policy in accordance with Section 7(a)(3) below.

(2) Purchaser, at Purchaser's sole cost and expense, shall deliver or cause to be delivered the following:

- (i) To Seller, through the Title Company, federally wired funds or a certified or cashier's check or such other means of funding acceptable to Seller, in an amount equal to the Purchase Price, adjusted for closing costs and prorations;
- (ii) Evidence satisfactory to Seller, in its sole discretion, that Purchaser has obtained sufficient financing for the completion of the Project;
- (iii) Evidence of authority to consummate the sale of the Property as is contemplated in this Contract or as Title Company may reasonably request.

(3) Title Company shall issue to Purchaser, at Purchaser’s sole cost and expense, an Owner Policy of Title Insurance (“**Owner Policy**”) issued by Title Company in the amount of the Purchase Price insuring that, after the completion of the Closing, Purchaser is the owner of indefeasible fee simple title to the Property, subject only to the Permitted Encumbrances and reservation of minerals, and the standard printed exceptions included in a Texas Standard Form Owner Policy of Title Insurance.

(4) Purchaser shall pay the escrow fees.

(5) Purchaser shall pay all recording fees and any other closing costs as set forth by the Title Company.

(6) Purchaser and Seller shall each pay their respective attorneys' fees.

(b) Seller will qualify for exemption from ad valorem taxation for the Property, and no ad valorem taxation shall accrue before the date of Closing. Therefore, any ad valorem taxes assessed against the property for the current year shall be for the period of time the Property is owned by Purchaser. Purchaser shall be responsible for all ad valorem taxes and fees accruing after the date of Closing. The provisions of this Section 7(b) survive the Closing.

(c) Upon completion of the Closing, Seller shall deliver possession of the Property to Purchaser, free and clear of all tenancies of every kind except those disclosed in the Permitted Encumbrances.

Section 8. Seller's Representations. Seller hereby represents and warrants to Purchaser, as of the Effective Date and as of the Closing Date, except as otherwise disclosed in written notice from Seller to Purchaser at or prior to Closing, that:

- (a) **Seller's Authority.** This Contract has been duly authorized by requisite action and is enforceable against Seller in accordance with its terms; neither the execution and delivery of this Agreement nor the consummation of the sale provided for herein will constitute a violation or breach by Seller of any provision of any agreement or other instrument to which Seller is a party or two which Seller may be subject although not a party, or will result in or constitute a violation or breach of any judgment, order, writ, junction or decree issued against or binding upon Seller or the Property;
- (b) **No Pending Proceedings.** There is no action, suit, proceeding or claim affecting the Property or any portion thereof, or affecting Seller and relating to the ownership, operation, use or occupancy of the Property, pending or being prosecuted in any court or by or before any federal, state, county or municipal department, commission, board, bureau or agency or other governmental entity and no such action, suit, proceeding or claim is threatened or asserted;
- (c) **Seller is Not a Foreign Person.** Seller is not a foreign person or entity as defined in Section 1445 of the Internal Revenue Code of 1986, as amended, and Purchaser is not obligated to withhold any portion of the Sales Price for the benefit of the Internal Revenue Service;
- (d) **No Insolvency Proceedings.** No attachment, execution, assignment for the benefit of creditors, receivership, conservatorship or voluntary or involuntary proceedings in bankruptcy or pursuant to any other debtor relief laws is contemplated or has been filed by or against Seller or the Property, nor is any such action pending by or against Seller or the Property;
- (e) **Contract Obligations.** Except as otherwise disclosed in the Title Commitment or by Seller to Purchaser, no lease, contract or agreement exists relating to the Property or any portion thereof which is not terminable at will or upon not more than 30 days' prior notice except tenant leases;

- (f) **No Competing Rights.** No person, firm or entity, other than Purchaser, has any right to purchase, lease or otherwise acquire or possess the Property or any part thereof;
- (g) **No Regulatory Violations.** The Property is not in breach of any law, ordinance or regulation, or any order of any court or any federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality wherever located, including, without limitation, those relating to environmental matters and hazardous waste, and no claim, action, suit or proceeding is pending or, to the best of Seller's knowledge and belief and after due inquiry, threatened against or affecting Seller or affecting the Property, at law or in equity, or before or by any federal, state, municipal or other governmental department, commission, board, bureau, agency or entity wherever located, with respect to the Property or the Seller's present use and operation of the Property; and
- (h) **No Hazardous Materials.** To the best of Seller's knowledge, (i) all required federal, state and local permits concerning or related to environmental protection and regulation for the Property have been secured and are current; (ii) Seller is and has been in full compliance with such environmental permits and other requirements regarding environmental protection under applicable federal, state or local laws, regulations or ordinances; (iii) there is no pending action against Seller under any environmental law, regulation or ordinance and Seller has not received written notice of any such action or possible action; (iv) there is not now, nor has there been in the past, any release of hazardous substances on, over, at, from, into or onto any facility at the Property, as such terms are understood under the Comprehensive Environmental Response, Compensation and Liability Act; and (v) Seller does not have actual knowledge of any environmental condition, situation or incident on, at or concerning the Property that could reasonably be expected to give rise to an action or to liability under any law, rule, ordinance or common law theory governing environmental protection.

Seller acknowledges that Purchaser has relied and will rely on the representations and warranties of Seller in executing this Agreement and in closing the purchase and sale of the Property pursuant to this Agreement, and Seller, during the term of this Agreement, agrees to notify Purchaser promptly in the event that Seller obtains knowledge of any change affecting any of such representations and warranties, in which event Purchaser shall be entitled to exercise the remedies set forth in Section 13 hereof. Until and unless Seller's warranties and representations shall have been qualified and modified as appropriate by any such additional information provided by Seller to Purchaser, Purchaser shall continue to be entitled to rely on Seller's representations and warranties set forth in this Agreement, notwithstanding any contrary information resulting from any inspection or investigation made by or on behalf of Purchaser. All of Seller's representations and warranties, as so qualified and modified, shall survive Closing.

Section 9. Seller's Covenants. During the term of this Agreement, Seller shall not, without the prior written consent of Purchaser: (i) grant any licenses, easements or other uses affecting any portions of the Property; (ii) permit any mechanic's or materialman's lien to attach to any portion of the Property; (iii) place or permit to be placed on, or remove or permit to be removed from, the Property any trees, buildings, structures or other improvements of any kind; or (iv) excavate or permit the excavation of the Property or any portion thereof.

Section 10. Agents. Seller and Purchaser each represent and warrant to the other that it has not engaged the services of any agent, broker, or other similar party in connection with this transaction.

Section 11. Closing Documents. No later five (5) days prior to the Closing, Seller shall deliver to Purchaser copies of the closing documents (including but not limited to the Deed) for Purchaser's reasonable right of approval.

Section 12. Notices.

(a) Any notice under this Contract shall be in writing and shall be deemed to have been served if (i) delivered in person to the address set forth below for the party to whom the notice is given, (ii) delivered in person at the Closing (if that party is present at the Closing), (iii) placed in the United States mail, return receipt requested, addressed to such party at the address specified below, or (iv) deposited into the custody of Federal Express Corporation to be sent by FedEx Overnight Delivery or other reputable overnight carrier for next day delivery, addressed to the party at the address specified below.

(b) The address of Purchaser under this Contract is:

Hoque Global Properties LLC
1717 Main Street, Suite 5630
Dallas, Texas 75201
Attn: Steven Shelley

With a copy to:

Munsch Hardt Kopf & Harr, P.C.
500 N. Akard Street, Suite 3800
Dallas, Texas 75201
Attn: Phillip Geheb

(c) The address of Seller under this Contract is:

City of Fort Worth
1150 S. Freeway Suite 106
Fort Worth, 76104
Strategic Development & Revitalization Coordinator
Economic Development Department
Attention: Martha Collins
Telephone: 817-392-2610
Email: Martha.Collins@fortworthtexas.gov

With a copy to:

City Attorney's Office
Attn: Matthew A. Murray
200 Texas Street
Fort Worth, Texas 76102
Email: matthew.murray@fortworthtexas.gov

(d) From time to time either party may designate another address or fax number under this Contract by giving the other party advance written notice of the change.

Section 13. Termination, Default, and Remedies.

(a) If Purchaser fails or refuses to consummate the purchase of the Property pursuant to this Contract at the Closing for any reason other than termination of this Contract by Purchaser pursuant to a right so to terminate expressly set forth in this Contract or Seller's failure to perform Seller's obligations under this Contract, then Seller, as Seller's sole and exclusive remedy, shall have the right to terminate this Contract by giving written notice thereof to Purchaser prior to or at the Closing, whereupon neither party hereto shall have any further rights or obligations hereunder.

(b) If (1) Seller fails or refuses to timely consummate the sale of the Property pursuant to this Contract at Closing, (2) at the Closing any of Seller's representations, warranties or covenants contained herein is not true or has been breached or modified, or (3) Seller fails to perform any of Seller's other obligations hereunder either prior to or at the Closing for any reason other than the termination of this Contract by Seller pursuant to a right so to terminate expressly set forth in this Contract or Purchaser's failure to perform Purchaser's obligations under this Contract, then Purchaser shall have the right to:

- (i) terminate this Contract by giving written notice thereof to Seller prior to or at the Closing and neither party hereto shall have any further rights or obligations hereunder; or
- (ii) waive, prior to or at the Closing, the applicable objection or condition and proceed to close the transaction contemplated hereby in accordance with the remaining terms hereof.

Section 14. Survival of Obligations. To the extent necessary to carry out the terms and provisions hereof, the terms, conditions, warranties, representations, obligations and rights set forth herein shall not be deemed terminated at the time of the Closing, nor shall they merge into the various documents executed and delivered at the time of the Closing.

Section 15. Entire Contract. This Contract (including the attached Exhibits) contains the entire contract between Seller and Purchaser, and no oral statements or prior written matter not specifically incorporated herein is of any force and effect. No modifications are binding on either party unless set forth in a document executed by that party.

Section 16. Assigns. This Contract inures to the benefit of and is binding on the parties and their respective legal representatives, successors, and assigns. Seller may not assign its interest under this Contract without the prior written consent of Purchaser. Purchaser may assign its interest under this Contract to any entity, incorporated or otherwise, controlled by or under common control with Purchaser and as necessary to accomplish the Project.

Section 17. Taking Prior to Closing. If, prior to Closing, the Property or any portion thereof becomes subject to a taking by virtue of eminent domain, Purchaser may, in Purchaser's sole discretion, either (i) terminate this Contract and neither party shall have any further rights or obligations hereunder, or (ii) proceed with the Closing of the transaction with an adjustment in the Purchase Price to reflect the net square footage of the Property after the taking.

Section 18. Governing Law. This Contract shall be governed by and construed in accordance with the laws of the State of Texas.

Section 19. Performance of Contract. The obligations under the terms of the Contract are performable in Tarrant County, Texas, and any and all payments under the terms of the Contract are to be made in Tarrant County, Texas.

Section 20. Venue. Venue of any action brought under this Contract shall be in Tarrant County, Texas if venue is legally proper in that County.

Section 21. Severability. If any provision of this Contract is held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability will not affect any other provision, and this Contract will be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

Section 22. Business Days. If the Closing or the day for performance of any act required under this Contract falls on a Saturday, Sunday, or legal holiday, then the Closing or the day for such performance, as the case may be, shall be the next following regular business day.

Section 23. Counterparts. This Contract may be executed in multiple counterparts, each of which will be deemed an original, but which together will constitute one instrument.

Section 24. Terminology. The captions beside the section numbers of this Contract are for reference only and do not modify or affect this Contract in any manner. Wherever required by the context, any gender includes any other gender, the singular includes the plural, and the plural includes the singular.

Section 25. Construction. The parties acknowledge that each party and its counsel have reviewed and revised this Contract and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party is not to be employed in the interpretation of this Contract or any amendments or exhibits to it.

Section 26. City Council Approval Required. Notwithstanding anything herein to the contrary, Purchaser hereby acknowledges and agrees that the Seller's execution of this Contract, its representations and warranties under this Contract, and Seller's willingness and agreement to sell the Property are expressly subject to and contingent upon the approval of the Fort Worth City Council in an open and public meeting.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

This Contract is EXECUTED as of the Effective Date.

PURCHASER:

HOQUE GLOBAL PROPERTIES LLC

By: Sardar M. Hoque Digitally signed by Sardar M. Hoque
Date: 2022.04.11 11:25:19 -05'00'
Name: Sardar Hoque
Title: Manager

SELLER:

CITY OF FORT WORTH

By: *Dana Burghdoff*
Dana Burghdoff (Apr 13, 2022 12:44 CDT)
Name: Dana Burghdoff
Title: Assistant City Manager

Attest:

Jannette S. Goodall
Jannette S. Goodall (Apr 13, 2022 15:23 CDT)
Jannette S. Goodall
City Secretary

M&C: 21-0810
Date: October 19, 2021

APPROVED AS TO LEGALITY AND FORM

Matthew Murray
Matthew A. Murray
Assistant City Attorney

City of Fort Worth Contract Compliance Manager:

By signing I acknowledge that I am the person responsible for the monitoring and administration of this contract, including ensuring all performance and reporting requirements.

Martha Collins
Martha Collins (Apr 11, 2022 11:55 CDT)
Name of Employee Martha Collins
Title : Revitalization Coordinator

By its execution below, Title Company agrees to perform its other duties pursuant to the provisions of this Contract.

TITLE COMPANY:

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT "A"

Description of Property

<u>ADDRESS</u>	<u>LEGAL DESCRIPTION</u>
901 Evans Avenue	MCANULTY & NESBITT SUBDIVISION EVANS BLOCK 2, LOT 1
901 Evans Avenue	MCANULTY & NESBITT SUBDIVISION EVANS BLOCK 2, LOT 2
909 Evans Avenue	MCANULTY & NESBITT SUBDIVISION EVANS BLOCK 2, LOT 30
1009 Evans Avenue	KRAUSE, A. SUBDIVISION BLOCK 4, LOT 2F
1013 Evans Avenue	KRAUSE, A. SUBDIVISION BLOCK 4, LOT 2E

EXHIBIT "B"

SPECIAL WARRANTY DEED

SPECIAL WARRANTY DEED

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.

STATE OF TEXAS §
 § KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF TARRANT §

THAT the **CITY OF FORT WORTH**, a Texas home-rule municipal corporation, (the "**Grantor**"), for and in consideration of the sum of Ten and No/100 Dollars (\$10.00) cash and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, paid by **HOQUE GLOBAL PROPERTIES LLC**, a Texas limited liability company (the "**Grantee**"), subject to the provisions set forth herein, HAS GRANTED, BARGAINED, SOLD and CONVEYED, and by these presents DOES GRANT, BARGAIN, SELL and CONVEY unto Grantee certain land located in Tarrant County, Texas, described on Exhibit A which is attached hereto and incorporated herein by reference for all purposes, together with all of Grantor's right, title and interest in and to (i) all buildings, fixtures, structures and improvements thereon; (ii) any strips or gores between the land and all abutting properties; (iii) all roads, alleys, rights-of-way, easements, streets and ways adjacent to or serving the land and rights of ingress and egress thereto, whether surface, subsurface or otherwise; (iv) any land lying in the bed of any street, road or access way, opened or proposed, in front of, at a side of or adjoining the land, to the centerline of such street, road or access way; and (v) all licenses, interests, and rights appurtenant to the land (collectively, the "**Property**").

Grantor hereby excepts from this deed and reserves to Grantor, its successors and assigns, all oil, gas or other minerals in, on and under and that may be taken, saved, extracted or produced from the Property and all other subsurface rights of the Property; provided, however, that Grantor does hereby expressly release and waive, on behalf of itself, and its successors or assigns, all rights of ingress and egress and all other rights of every kind and character whatsoever to enter upon, use or in any way disturb the surface of the Property or any part thereof, including, without limitation, the right to enter upon the surface of the Property for purposes of exploring for, developing, drilling, producing, transporting product, mining, treating, storing or any other purpose incident to the development or production of the oil, gas and other minerals in, on and under the Property. Nothing herein contained shall ever be construed to prevent the Grantor, or its successors or assigns, from developing or producing the oil, gas and other minerals in and under the Property by pooling or by directional drilling under the Property from well sites not located within the boundaries of such Property and only at a depth of no less than 500 feet below the surface of the Property.

This Special Warranty Deed and the conveyance hereinabove set forth is executed by

Grantor and accepted by Grantee subject only to the easements, restrictions, reservations and covenants described in this deed and in Exhibit B attached hereto and incorporated herein by this reference, to the extent the same are validly existing and applicable to the Property (hereinafter referred to collectively as the "Permitted Exceptions").

Grantee acknowledges that Grantee has independently and personally inspected the Property. The Property is hereby conveyed to and accepted by Grantee in its present condition, **"AS IS," WITH ALL FAULTS, AND WITHOUT ANY WARRANTY WHATSOEVER, EXPRESS OR IMPLIED.** Notwithstanding anything contained herein to the contrary, and except with respect to the warranties and/or covenants of title created by this Special Warranty Deed and the representations and warranties expressly made by Grantor in that certain Contract of Sale and Purchase dated _____, executed by and between Grantor and Grantee (as successor in interest to Hoque Global Properties, LLC) (collectively, "Surviving Reps"), it is understood and agreed that Grantor and Grantor's agents or employees have never made and are not now making, and they specifically disclaim, any warranties, representations or guaranties of any kind or character, express or implied, oral or written, with respect to the Property, including, but not limited to, warranties, representations or guaranties as to (a) matters of title (other than Grantor's warranty of title set forth herein), (b) environmental matters relating to the Property or any portion thereof, including, without limitation, the presence of hazardous materials in, on, under or in the vicinity of the Property, (c) geological conditions, including, without limitation, subsidence, subsurface conditions, water table, underground water reservoirs, limitations regarding the withdrawal of water, and geologic faults and the resulting damage of past and/or future faulting, (d) whether, and to the extent to which the Property or any portion thereof is affected by any stream (surface or underground), body of water, wetlands, flood prone area, flood plain, floodway or special flood hazard, (e) drainage, (f) soil conditions, including the existence of instability, past soil repairs, soil additions or conditions of soil fill, or susceptibility to landslides, or the sufficiency of any undershoring, (g) the presence of endangered species or any environmentally sensitive or protected areas, (h) zoning or building entitlements to which the Property or any portion thereof may be subject, (i) the availability of any utilities to the Property or any portion thereof including, without limitation, water, sewage, gas and electric, (j) usages of adjoining property, (k) access to the Property or any portion thereof, (l) the value, compliance with the plans and specifications, size, location, age, use, design, quality, description, suitability, structural integrity, operation, title to, or physical or financial condition of the Property or any portion thereof, or any income, expenses, charges, liens, encumbrances, rights or claims on or affecting or pertaining to the Property or any part thereof, (m) the condition or use of the Property or compliance of the Property with any or all federal, state or local ordinances, rules, regulations or laws, building, fire or zoning ordinances, codes or other similar laws, (n) the existence or non-existence of underground storage tanks, surface impoundments, or landfills, (o) any other matter affecting the stability and integrity of the Property, (p) the potential for further development of the Property, (q) the merchantability of the Property or fitness of the Property for any particular purpose, (r) the truth, accuracy or completeness of any diligence items provided by Grantor, (s) tax consequences, or (t) any other matter or thing with respect to the Property. **OTHER THAN THE SURVIVING REPS, GRANTOR MAKES NO REPRESENTATIONS OR WARRANTIES OF ANY KIND TO GRANTEE, INCLUDING, WITHOUT LIMITATION, THE PHYSICAL CONDITION OF THE PROPERTY, OR THEIR SUITABILITY FOR ANY PARTICULAR PURPOSE OR OF MERCHANTABILITY, AND GRANTEE IS RELYING ON ITS INVESTIGATIONS OF THE PROPERTY IN DETERMINING WHETHER TO ACQUIRE IT. THE**

PROVISIONS OF THIS PARAGRAPH ARE A MATERIAL PART OF THE CONSIDERATION FOR GRANTOR EXECUTING THIS SPECIAL WARRANTY DEED AND SHALL SURVIVE CLOSING.

TO HAVE AND TO HOLD the Property unto Grantee, and Grantee's successors and assigns forever, and Grantor does hereby bind Grantor, and Grantor's successors and assigns, to WARRANT and FOREVER DEFEND, all and singular the Property unto Grantee and Grantee's successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof, by, through or under Grantor, but not otherwise, subject only to the Permitted Exceptions.

EXECUTED to be effective as of this _____ day of _____, 2022.

GRANTOR: THE CITY OF FORT WORTH

By: _____
Name: Dana Burgdoff
Title: Assistant City Manager

Attest:

Jannette S. Goodall
City Secretary

M&C: 21-0810
Date: October 19, 2021

APPROVED AS TO LEGALITY AND FORM

Matthew A. Murray
Assistant City Attorney

STATE OF TEXAS §
 §
COUNTY OF TARRANT §

This instrument was ACKNOWLEDGED before me on _____, 2022 by
_____, _____ of
_____, a _____, on
behalf of said _____.

Notary Public - State of Texas

After Recording Return To:

Exhibit A – Description of the Property

Exhibit B – Permitted Exceptions

EXHIBIT "A"
PROPERTY

ADDRESS	LEGAL DESCRIPTION
901 Evans Avenue	MCANULTY & NESBITT SUBDIVISION EVANS BLOCK 2, LOT 1
901 Evans Avenue	MCANULTY & NESBITT SUBDIVISION EVANS BLOCK 2, LOT 2
909 Evans Avenue	MCANULTY & NESBITT SUBDIVISION EVANS BLOCK 2, LOT 30
1009 Evans Avenue	KRAUSE, A. SUBDIVISION BLOCK 4, LOT 2F
1013 Evans Avenue	KRAUSE, A. SUBDIVISION BLOCK 4, LOT 2E

EXHIBIT "B"
PERMITTED EXCEPTIONS

This conveyance is made and accepted subject to the following Permitted Encumbrances:

Mayor and Council Communication

DATE: 10/19/21

M&C FILE NUMBER:

LOG NAME: 17ARPA ALLOCATIONS EVANS & ROSEDALE REDEVELOPMENT

SUBJECT

(CD 8) Approve Allocation of Funds from the American Rescue Plan Act in the amount of \$4,245,533.42 for the Evans and Rosedale Redevelopment and Affordable Housing Project; Authorize Purchase at Fair Market Value of Thirty Fort Worth Housing Finance Corporation Properties and Five Fort Worth Local Development Corporation Properties and Execution of Necessary Agreements Therefor; and Authorize Sale to Hoque Global, LLC of the Thirty-Five Acquired Properties and Another City Owned Property in Exchange for Nominal Monetary Consideration and the Grant of Deeds of Trust to Ensure Certain Use for Affordable Housing and Execution of Necessary Agreements

RECOMMENDATION:

It is recommended that the City Council:

1. Approve the allocation of up to \$4,245,533.42 from the American Rescue Plan Act, Subtitle M (Coronavirus State and Local Fiscal Recovery Funds) for the Evans and Rosedale Redevelopment and Affordable Housing Project (Project) to pay the fair market value of thirty-six properties being acquired and contributed to the Project, consisting of thirty Fort Worth Housing Finance Corporation (FWHFC) properties (\$3,595,977.13), five (5) Fort Worth Local Development Corporation (LDC) properties (\$235,950.00), and one (1) City property (\$112,500.00);
2. Authorize acquisition of thirty (30) properties from, and execution of all necessary agreements with, the FWHFC;
3. Authorize acquisition of five (5) properties from, and execution of all necessary agreements with, the LDC; and
4. Authorize sale of the thirty-five (35) acquired properties and another City-owned property to, and execution of all necessary agreements with, Hoque Global, LLC for nominal monetary consideration of \$1.00 per property and the granting of deeds of trust covering all property to ensure the property is used for the development and continued operation of affordable housing for a period of at least fifteen (15) years from the date of issuance of the certificate of occupancy.

DISCUSSION:

The purpose of this Mayor and Council Communication (M&C) is to approve actions associated with the real estate transactions for the Evans and Rosedale Redevelopment and Affordable Housing Project (Project).

Project Background

The thirty-six properties (collectively, the Property) are located within the boundaries of the Historic Southside Neighborhood, the Evans and Rosedale Urban Village, Tax Increment Reinvestment Zone Number 4, and Census Tract 1231.001, which is a Qualified Census Tract. The Property was part of the December 2018 Request for Expressions of Interest (RFEI) in which the City of Fort Worth, the Fort Worth Housing Finance Corporation (HFC), and the Fort Worth Local Development Corporation (LDC) sought a Master Developer arrangement in and near the historic Evans & Rosedale Urban Village.

Eight proposals were received through the RFEI and reviewed through an extensive staff and stakeholder evaluation process. The selection criteria established included: 1.) Vision with respect to the history of the area; 2.) Quality of design; 3.) Economic impact to the City; 4.) Qualifications and experience of the development team; 5.) Financial capacity of the team; 6.) Community engagement; 7.) Alignment with the City's comprehensive plan and strategic economic development plans. Hoque Global Properties, LLC ("Hoque") was selected as the development team that was most closely aligned with the selection criteria. After significant community engagement and feedback, staff for the HFC, the City, and the LDC recommend that Hoque be selected to redevelop the area.

Between early 2019 and September, 2021, HFC, LDC, and City staff have negotiated a term sheet with Hoque. Hoque is proposing a two-phased redevelopment that will result in a total of at least \$70 million worth of investment; approximately 292 multifamily units, 20 townhomes, and 28 live-work units, with at least 20% of the total number of units being affordable; a cultural square; parks, and other public spaces.

A neighborhood meeting outlining the conceptual project design and basic economic terms was held on September 16, 2021 at Shamblee Library. The HFC and LDC met in a joint session on September 21, 2021 and approved resolutions authorizing the sale of the parcels owned by HFC and LDC to the City as-is for the fair market value price, with each corporation authorizing its General Manager to execute closing documents. Fair market value was determined using information from a broker's property opinion, which indicated the value of the area properties is \$21.27/s.f.

Due to market considerations, in order for the development to be financially feasible, Hoque must be able to purchase the Property at a value significantly less than fair market value. As noted in prior public presentations and addressed in more detail below, the plan is for the City to allocate \$4,245,533.42 in Subtitle M funds under the American Rescue Plan Act (ARPA) to pay the fair market value of the Property that will be contributed to the Project.

Approval of this M&C authorizes the purchase of the 30 properties from the HFC at a price of \$3,595,977.13 and the five properties from the LDC for \$235,950.00 and allocates funding to pay for the one parcel owned by the City and valued at \$112,000. As authorized by Texas Local Government Code Section 272.001(g), the Property, which has a combined fair market value of \$4,245,533.42, would be sold to Hoque for monetary consideration of \$1 each for the purpose of developing low- to moderate-income housing; to effectuate and maintain the public purpose of affordable housing, the Property will be subject to a lien through a Deed of Trust to Secure Performance, ensuring the required affordable housing is offered at the Property for a period of at least 15 years. If the affordable housing requirements are not met, Hoque would be required to repay the full fair market value of the Property out of its own separate funds.

The Property to be sold includes:

Fort Worth Housing Finance Corporation Property

NO.	CFW_ID	ADDRESS	PARCEL LEGAL DESCRIPTION	AREA (s.f.)	VALUE (\$21.27/s.f.)
1	125739	924 MISSOURI AVE	SCHLATERS SUBDIVISION Block 1 Lot 7	6530.439453	138,902.45
2	125098	916 MISSOURI AVE	SCHLATERS SUBDIVISION Block 1 Lot 5	6769.264648	143,982.26
3	125264	920 EVANS AVE	EVANS SOUTH ADDITION Block 1 Lot 6	8766.886719	186,471.68
4	126389	1000 EVANS AVE	EVANS SOUTH ADDITION Block 3 Lot 1 & 2	5069.969727	107,838.26
5	125304	920 MISSOURI AVE	SCHLATERS SUBDIVISION Block 1 Lot 6	5913.998047	125,790.74
6	124251	904 MISSOURI AVE	SCHLATERS SUBDIVISION Block 1 Lot 2	7039.71875	149,734.82

7	125104	917 SOUTH FWY	SCHLATORS SUBDIVISION Block 1 Lot 12	5146.254883	109,460.84
8	124500	901 SOUTH FWY	SCHLATORS SUBDIVISION Block 1 Lot 14 THRU 16	5148.732422	109,513.54
9	126163	810 MISSOURI AVE	EVANS SOUTH ADDITION Block 3 Lot 12	6047.929688	128,639.46
10	125957	928 MISSOURI AVE	SCHLATORS SUBDIVISION Block 1 Lot 8	7118.005859	151,399.98
11	123988	900 EVANS AVE	EVANS SOUTH ADDITION Block 1 Lot 1	8071.225586	171,674.97
12	125737	924 EVANS AVE	EVANS SOUTH ADDITION Block 1 Lot 7	7644.488281	162,598.27
13	125946	928 EVANS AVE	EVANS SOUTH ADDITION Block 1 Lot 8	7592.90625	161,501.12
14	126155	1000 EVANS AVE	EVANS SOUTH ADDITION Block 3 Lot 1 & 2	4088.458984	86,961.52
15	125045	916 EVANS AVE	EVANS SOUTH ADDITION Block 1 Lot 5	7523.294922	160,020.48
16	125314	921 SOUTH FWY	SCHLATORS SUBDIVISION Block 1 Lot 11	5135.705078	109,236.45
17	124006	708 E TERRELL AVE	SCHLATORS SUBDIVISION Block 1 Lot 1 W43' LOT 1	2835.770508	60,316.84

18	124006	710 E TERRELL AVE	SCHLATORS SUBDIVISION Block 1 Lot 1 W41'E82' LOT 1	3270.558594	69,564.78
19	124006	900 MISSOURI AVE	SCHLATORS SUBDIVISION Block 1 Lot 1 E41' LOT 1	2659.220703	56,561.62
20	124003	901 SOUTH FWY	SCHLATORS SUBDIVISION Block 1 Lot 14 THRU 16	6964.4375	148,133.59
21	124258	901 SOUTH FWY	SCHLATORS SUBDIVISION Block 1 Lot 14 THRU 16	5138.206055	109,289.64
22	124888	915 MISSOURI AVE	EVANS SOUTH ADDITION Block 1 Lot 4 W 65'4 BLK 1	7413.944336	157,694.60
23	124888	912 EVANS AVE	EVANS SOUTH ADDITION Block 1 E 86'LOT 4	Included in 915 Missouri parcel	-
24	125967	759 E DASHWOOD ST	SCHLATORS SUBDIVISION Block 1 Lot 9	5860.902344	124,661.39
25	124396	900 EVANS AVE	EVANS SOUTH ADDITION Block 1 Lot 3 E 84'3 BLK 1	7895.463867	167,936.52
26	124536	908 MISSOURI AVE	SCHLATORS SUBDIVISION Block 1 Lot 3	6018.348633	128,010.28
27	124536	913 SOUTH FWY	SCHLATORS SUBDIVISION Block 1 Lot 13	5135.777344	109,237.98

28	124917	925 SOUTH FWY	SCHLATERS SUBDIVISION Block 1 Lot 10	5130.567383	109,127.17
29	125770	900 EVANS AVE	EVANS SOUTH ADDITION Block 1 Lot 2	7132.858398	151,715.90
30	124170	900 EVANS AVE	EVANS SOUTH ADDITION Block 1 Lot 3 W 67'3 BLK 1	included in 900 Evans parcel 124396	-
			TOTALS	169,063.33 sf	\$3,595,977.13

Local Development Corporation Property

NO.	ADDRESS	PARCEL LEGAL DESCRIPTION	AREA (s.f.)	VALUE (\$21.27/s.f.)
	901 EVANS 1 AVE	MC ANULTY & NESBITT SUB EVANS BLOCK 2 LOT 1	4799.548828	102,086.40
	901 EVANS 2 AVE	MC ANULTY & NESBITT SUB EVANS BLOCK 2 LOT 2	5191.926758	110,432.28
	909 EVANS 3 AVE	MC ANULTY & NESBITT SUB EVANS BLOCK 2 LOT 30	4727.975586	100,564.04
	1009 EVANS 4 AVE	KRAUSE, A SUBDIVISION BLOCK 4 LOT 2F	4915.320313	104,548.86
	1013 EVANS 5 AVE	KRAUSE, A SUBDIVISION BLOCK 4 LOT 2E	5615.641602	119,444.70
			TOTALS	25,250.41 sf
				\$537,076.29

City of Fort Worth Property

NO.	ADDRESS	PARCEL LEGAL DESCRIPTION	AREA (s.f.)	VALUE

1	1005 EVANS AVE	KRAUSE, A SUBDIVISION BLOCK 4 LOT 1E	7,500	\$112,500
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All properties are located in COUNCIL DISTRICT 8.

Allocation of ARPA Subtitle M Funding

Responding to the negative economic impacts of the coronavirus pandemic is a specifically identified use of ARPA dollars under Section 603(c)(1)(A) of Title VI of the Social Security Act (added by ARPA). Treasury Department guidance specifically notes that these Fiscal Recovery Funds can be deployed for a broad range of uses to address “the disproportionate . . . economic impacts of the crisis on the hardest-hit communities, populations, and households” and to provide services and additional investments in Qualified Census Tracts, such as the one in which the Project is located. Therefore, it has been determined that paying for the Property so that can be contributed to the Project below cost is an eligible use of funds as a response to negative economic impact and an investment in housing and neighborhoods in a Qualified Census Tract.

The following chart reflects the current status for allocation of the City's ARPA funding under Subtitle M and incorporates each ARPA M&C on the October 19, 2021 Council Agenda:

Status	Amount	M&C's
Total CFW ARPA Subtitle M Funding	\$173,745,090.00	21-0445
Allocations Approved To-Date	\$6,000,000.00	25ARPA-VFW-TDG
Pending Allocation	\$1,000,000.00	13ARPA-ADMINISTRATION
Pending Allocation	\$10,100,000.00	19ARPA ALLOCATIONS TO HOUSING AND HUMAN SERVICES PROJECTS
Pending Allocation	\$300,000.00	25ARPA-WRMC MURAL PLAQUES
Pending Allocation	\$2,400,000.00	17ARPA ALLOCATIONS UNTHSC TECHSTARS
Pending Allocation	\$3,000,000.00	17ARPA ALLOCATION CDFI FRIENDLY AMERICA
Pending Allocation	\$4,245,533.42	17ARPA ALLOCATIONS EVANS & ROSEDALE REDEVELOPMENT (This M&C)
Remaining Unallocated Balance	\$146,699,556.58	

The Evans-Rosedale Project was also determined to be a qualified priority by City Management for ARPA funding as approved by the City Council in M&C 21-0445 on June 22, 2021. ARPA funds must be committed by the end of 2024 and spent by the end of 2026. The Property purchase should be completed by March 2022.

Approval of this M&C will allocate \$4,245,533.42 for FY2022 in the American Rescue Plan Act project in the Grants Operating Federal Fund budget. Necessary reporting and documentation requirements will be followed to ensure the City can comply with all reporting requirements of the ARPA legislation.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that upon approval of the above recommendations, funds are available in the current operating budget, as appropriated, of the Grants Operating Federal Fund. The Economic Development Department shall be responsible for ensuring that only expenditures allowable under the American Recovery Plan Act are charged to this funding source.

<u>Submitted for City Manager's Office by:</u>	Fernando Costa	6122
	Jay Chapa	5804
<u>Originating Business Unit Head:</u>	Robert Sturns	2663
	Victor Turner	8187
<u>Additional Information Contact:</u>	Amy Connolly	7556

Expedited

Mayor and Council Communication

DATE: 10/19/21

M&C FILE NUMBER:

LOG NAME: 17EVANSROSEDALE EDPA

SUBJECT

(CD 8) Authorize Execution of an Economic Development Program Agreement with Hoque Global Properties LLC, and/or Related Affiliates, to develop certain properties owned by the City of Fort Worth, Fort Worth Housing Finance Corporation, and Fort Worth Local Development Corporation located in the Evans & Rosedale Urban Village as a mixed-use urban development.

RECOMMENDATION:

It is recommended that the City Council authorize the execution of an Economic Development Program Agreement with Hoque Global Properties LLC, and/or Related Affiliates, to develop certain properties owned by the City of Fort Worth, Fort Worth Housing Finance Corporation, and Fort Worth Local Development Corporation located in the Evans & Rosedale Urban Village as a mixed-use urban development on the terms set forth below in the discussion.

DISCUSSION:

Hoque Global Properties LLC and Related Affiliates (Developer) intend to develop certain properties owned by the City of Fort Worth, Fort Worth Housing Finance Corporation, and Fort Worth Local Development Corporation located in the Evans & Rosedale Urban Village (Project Site) as a mixed-use urban development. The development will include commercial, retail, and residential units, as well as a parking structure and enhancements to the plaza and other public spaces ("Development"), in return for the economic development incentives.

In order to facilitate the Development, the City proposes to enter into an Economic Development Program Agreement (EDPA) with the Company to provide up to 15 annual grants equal to up to 80% of the incremental increase from the City's ad-valorem taxes on the real and business personal property at the Project Site and 80% of the City's available one-cent sales tax attributable to the Project Site (Grants). The combined aggregate value of all EDPA grants will be capped at a gross amount of \$9,000,000.00 (Program Cap). Requirements for payment of the incentive are as described below.

Developer Commitments:

Developer Investment:

I. Developer Construction Commitments

- a. Developer must invest at least \$60 million in total development costs within the boundaries of the Project Site, where a minimum of \$56 million must be **Hard Construction Costs**, with construction starting within 18 months and completion within an additional 36 months from the signing of the required agreements for development of the Development, which includes:
 - i. 292 multifamily units and 28 live/work units
 - ii. 27,000 square feet of retail or office space
 - a. 15,000 square feet of the retail space will be marketed to an urban grocer for up to 12 months past receipt of the Certificate of Occupancy
 - iii. 339 space parking garage
 - iv. enhancements to include the cultural square, linear parks, interactive square, and other public spaces.
- b. **Phase II** - Invest an aggregate of at least \$70 M in Total Development Costs within the boundaries of the Project Site, to include those requirements in Section 1.a. as well as:
 - i. 20 townhomes
- c. Spend 15% of Total Development Costs with contractors that are business equity firms, as defined in the City's ordinance. Failure to meet this requirement will result in a reduction of the Potential Grant by 10%.
- d. Rent no fewer than 20% of all rental residential units as affordable housing, to be comprised of i) 10% of all residential units leased to individuals or families earning at or below 80% of the Area Median Income for the Fort Worth-Arlington region in a given year as established by the U.S. Department of Housing and Urban Development, and ii) 10% of all

residential units leased to individuals or families earning at or below 60% of the Area Median Income. Failure to meet the criteria outlined in Section I.d. shall be an event of default.

Other Developer Commitments:

- a. Demonstrates the financial capacity and commitments to complete the project prior to any land transactions and no later than 6 months after signing of the Definitive Agreements;
- b. Employ or cause to employ a minimum 30 Full-Time Employees on the Property by December 31, 2024, using good faith efforts to hire from the neighborhood areas indicated in the attached "Exhibit A";
- c. The Developer shall hold an initial public community meeting during the time period identified by City, which shall be after the full execution of this Term Sheet by Developer and the City, and continue to hold public community meetings every six months following the initial public meeting, until Phase I of the project is complete. Beginning upon execution of this agreement until Phase I is complete, the Developer shall provide quarterly project status updates to the City to be made public via the City website. The City will not seek approval until the initial community meeting has been held.
- d. Is responsive to and specifically informed by historic and cultural context in designing the buildings and public spaces; and
- e. Developer will also work with the City of Fort Worth to make best efforts to attract a grocer to the Development.
- f. The Developer will pursue a waiver of certain permit and impact fees related to the Development through the Neighborhood Empowerment Zone application process.
- g. The Developer will make best efforts to acquire the property located at 912 Missouri Avenue, Fort Worth, TX 76104 from the private property owner with a conclusion of such efforts no later than March 31, 2022. This is a hard deadline and may only be extended only by action of the City. In the event acquisition of 912 Missouri Avenue, Fort Worth, TX 76104 does not occur, the scope of the Phase I and Phase II construction commitments outlined in Section I.a. and 1.b. may be revised based upon the redesign of the project.

City Commitments:

Economic Development Program Agreement Grants

Pursuant to Section 10, Catalytic Development Project, of the Economic Development Program Policy, enter into an Economic Development Program Agreement that will provide up to fifteen annual grants based on the incremental value of the real and business personal property at the Project Site and 80% of the City's available one-cent sales tax attributable to the Property ("Grants"). The Chapter 380 incentive cap shall be \$8 million (gross) upon completion of the Phase I commitments. If Phase II commitments are achieved, the Chapter 380 incentive cap shall increase to \$9 million (gross).

The amount of the grants will be determined annually and in accordance with the following table.

Company Commitment	Maximum Grants
Real & Business Personal Property Investment (Base Commitment)	65%
15% M/WBE Contractors	10%
30 Full-Time Employees	5%
TOTAL	80%

The grants will begin in the second calendar year following the completion date of the Project, and will be based on the tax year that immediately follows the year in which the completion date occurred. For example, if the Project is completed on December 31, 2024, the grants will be based on the value of property assessed for the 2025 tax year, with the grants paid in calendar year 2026.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that approval of this agreement will have no material effect on the Fiscal Year 2022 Budget. While no current year impact is anticipated from this action, any effect on expenditures and revenues will be budgeted in future Fiscal Years and will be included in the long-term financial forecast.

Submitted for City Manager's Office by: Jay Chapa 5804

Originating Business Unit Head: Robert Sturns 2663

Additional Information Contact: Robert Sturns 2663

Expedited