Texas Department of Housing and Community Affairs
2019 9% Housing Tax Credit Pre-Application

Application Number: 19008
Submitted Date: 1/8/2019 9:00AM
Submitted By: Sara Reidy

Contact Information

Primary Contact: Tom Huth
13455 Noel Road, Suite 400
Dallas, TX  75240
Phone: 972-774-4400
Email: tom@palladiumusa.com

Secondary Contact: Kim Schwimmer
Phone: 214-405-3507
Email: kim@ksgrouprealestate.com

Consultant Contact:

Development Information

Name of Proposed Entity: Palladium Fain Street, Ltd.
Development Name: Palladium Fain Street
Development Type: New Construction
Secondary Type: None
Previous TDHCA #: None
Initial Construction Year:
Units Demolished: 0
Units Reconstructed:
# of Non-Contiguous Sites: 0
# of Census Tracts: 1
Target Population: General
Development Address:

4001 Fain Street
Fort Worth, TX  76111
ETJ?: N
County: Tarrant
Region: 3
Rural/Urban: Urban
Census Tracts: 48439101201

Total LI Units: 86
Total MR Units: 22
Total Units: 108
HTC Request: $1,500,000.00
Pre-App Fee Due: $1,080.00
Has Fee already been submitted?: Yes
Name on Check: Omnium Realty Services Texas, Inc.
Check Number: 22304
Set-Aside Election: none

Notifications

U.S. Representative: Marc Veasey
State Senator: Kelly G. Hancock
State Representative: Ramon Romero, Jr.
District: 33
District: 9
District: 90
School Superintendent: Dr. Kent Paredes Scribner
School District: Fort Worth ISD
School District Address: 100 N. University
Fort Worth, TX  76107

Presiding Officer of Board of Trustees: Tobi Jackson
Address: 100 N. University
Fort Worth, TX  76107

Elected Officials:
B. Glen Whitley
Roy Charles Brooks
Devan Allen
Gary Fickes
J.D. Johnson
Betsy Price
Carlos E. Flores
Brian Byrd
Cary G. Moon
Gyna Bivens
Jungus Jordan
Dennis Singleton
Kelly Allen Gray
Ann Zadeh

Counties:
B. Glen Whitley
Roy Charles Brooks
Devan Allen
Gary Fickes
J.D. Johnson
Betsy Price
Carlos E. Flores
Brian Byrd
Cary G. Moon
Gyna Bivens
Jungus Jordan
Dennis Singleton
Kelly Allen Gray
Ann Zadeh

Neighborhood Organizations: None

Competitive Housing Tax Credit Selection Self-Score

Criteria Promoting Development of High Quality Housing

Unit Sizes: 6
Unit Features: 9
Sponsor Characteristics: 2
High Quality Housing Total: 17

Criteria to Serve and Support Texans Most in Need

Income Levels of Tenants: 16
Rent Levels of Tenants: 11
Tenant Services: 10
Opportunity Index: 0
Underserved Area: 3
Tenant Populations with Special Housing Needs: 2
Proximity to the Urban Core: 5
Serve and Support Texans Most in Need Total: 47

Criteria Promoting Community Support and Engagement

Commitment of Development Funding by Local Political Subdivision: 1
Declared Disaster Area: 10
Community Support and Engagement Total: 11
Criteria Promoting Efficient Use of Limited Resources and Applicant Accountability

Financial Feasibility: 18
Cost of Development per Square Foot: 12
Pre-Application Participation: 6
Leveraging Private, State and Federal Resources: 3
Extended Affordability: 2
Historic Preservation: 0
Right of First Refusal: 1
Funding Request Amount: 1
Efficient Use of Limited Resources and Applicant Accountability Total: 43
Point Adjustment:
Total Applicant Self-Score: 118

Intent to Request Points for Items not Included in the Applicant’s Self-Score

Readiness to Proceed: 0 points
Government Support: 17 points
Quantifiable Community Participation: 4 points
Support from State Representative: 8 points
Input from Community Organizations: 4 points
Concerted Revitalization Plan: 7 points
Eligible to score at least 4 points under Opportunity Index?:

Attachments and Certifications

Site Control Documentation: Palladium Fain - Site Control.pdf
Census Tract Map: Palladium Fain - CT Map.pdf
Neighborhood Risk Factors:
Other Pertinent Information:
PROMULGATED BY THE TEXAS REAL ESTATE COMMISSION (TREC)

UNIMPROVED PROPERTY CONTRACT

NOTICE: Not For Use For Condominium Transactions

1. PARTIES: The parties to this contract are
   Yun Kyong Cho (Seller) and
   Palladium USA International (Buyer). Seller agrees
to sell and convey to Buyer and Buyer agrees to buy from Seller the Property defined below.

2. PROPERTY: Lot: ___________________________ Block: __________
   City of: Fort Worth, County of: Tarrant
   Texas known as: 4001 Fain St. 76111
   (address/zip code), or as described on attached exhibit together with all rights privileges and
   appurtenances pertaining thereto, including but not limited to, water rights, claims, permits, strips
   and gors, easements and cooperative or association memberships (the Property).
   RESERVATIONS Any reservation for oil, gas, or other minerals, water, timber, or other interests is
   made in accordance with an attached addendum.

3. SALES PRICE:
   A. Cash portion of Sales Price payable by Buyer at closing: $_________ 1,400,000
   B. Sum of all financing described in the attached Third Party Financing Addendum,
      Loan Assumption Addendum, Seller Financing Addendum: $_________ 1,400,000

4. LICENSE HOLDER DISCLOSURE: Texas law requires a real estate license holder who is a
   party to a transaction or acting on behalf of a spouse, parent, child, business entity in which the
   license holder owns more than 10%, or a trust for which the license holder acts as a trustee or of
   which the license holder or the license holder's spouse, parent, child or a beneficiary, to notify
   the other party in writing before entering into a contract of sale. Disclose if applicable.

5. EARNEST MONEY: Within 5 days after the Effective Date Buyer must deliver
   $_________ 23,000.00 as earnest money to Becky Brusilow (727-219-4710), as escrow
   agent, at Chicago Title, 3455 Preston Road, Suite 800, Dallas, TX 75234
   Buyer shall deposit additional earnest money of $_________ to escrow agent within
   5 days after the effective date of this contract, if Buyer fails to deliver the earnest money
   within the time required, Seller may terminate this contract or exercise Seller's remedies under
   Paragraph 10, or both by providing notice to Buyer before Buyer delivers the earnest money.
   If the last day to deliver the earnest money falls on a Saturday, Sunday, or legal holiday, the time to
   deliver the earnest money is extended to the end of the next day that is not a Saturday,
   Sunday, or legal holiday. Time is of the essence for this paragraph.

6. TITLE POLICY AND SURVEY:
   A. TITLE POLICY. Seller shall furnish to Buyer at __ Seller's ___ Buyer's expense an owner's policy of
      title insurance (Title Policy) issued by Chicago Title
      (Title Company) in the amount of the Sales Price, dated at or after closing insuring Buyer
      against loss under the provisions of the Title Policy, subject to the promulgated exclusions
      (including existing building and zoning ordinances) and the following exceptions:
         (1) Restrictive covenants common to the plat of subdivision in which the Property is located.
         (2) The standard printed exception for standby fees, taxes and assessments.
         (3) Liens created as part of the financing described in Paragraph 3.
         (4) Utility easements created by the dedication deed or plat of the subdivision in which the
             Property is located.
         (5) Reservations or exceptions otherwise permitted by this contract or as may be approved by
             Buyer in writing.
         (6) The standard printed exception as to marital rights.
         (7) The standard printed exception as to waters tidelands, beaches, streams, and related
              matters.
         (8) The standard printed exception as to discrepancies conflicts, shortages in area or boundary
              lines, encroachments or protrusions, or overlapping improvements.
         (9) The exception or exclusion regarding minerals approved by the Texas Department of
              Insurance.
   B. COMMITMENT. Within 20 days after the Title Company receives a copy of this contract Seller
      shall furnish to Buyer a commitment for title insurance (Commitment) and, at Buyer's expense
      legible copies of restrictive covenants and documents evidencing exceptions in the Commitment
      (Exception Documents) other than the standard printed exceptions. Seller authorizes the Title
      Company to deliver the Commitment and Exception Documents to Buyer at Buyer's address

Initialed for identification by Buyer: ___________________________ and Seller: ___________________________
shown in Paragraph 21. If the Commitment and Exception Documents are not delivered to Buyer within the specified time, the time for delivery will be automatically extended up to 15 days or 3 days before the Closing Date, whichever is earlier. If the Commitment and Exception Documents are not delivered within the time required, Buyer may terminate this contract and the earnest money will be refunded to Buyer.

C. SURVEY: The survey must be made by a registered professional land surveyor acceptable to the Title Company and Buyer’s lender(s). (Check one box only)

☐ (1) Within ___ days after the Effective Date of this contract, Seller shall furnish to Buyer and Title Company Seller’s existing survey of the Property and a Residential Real Property Affidavit promulgated by the Texas Department of Insurance (T-47 Affidavit). If Seller fails to furnish the existing survey or affidavit within the time prescribed, Buyer shall obtain a new survey at Seller’s expense no later than ___ days prior to Closing Date. If the existing survey or affidavit is not acceptable to Title Company or Buyer’s lender(s), Buyer shall obtain a new survey at Seller’s expense no later than ___ days prior to Closing Date.

☐ (2) Within ___ days after the Effective Date of this contract, Buyer shall obtain a new survey at Buyer’s expense. Buyer is deemed to receive the survey on the date of actual receipt or the date specified in this paragraph, whichever is earlier.

☐ (3) Within ___ days after the Effective Date of this contract, Seller, at Seller’s expense shall furnish a new survey to Buyer.

D. OBJECTIONS: Buyer may object in writing to (i) defects, exceptions, or encumbrances to title; disclosed on the survey other than items 6A(1) through (7) above; or disclosed in the Commitment other than items 6A(1) through (9) above; (ii) any portion of the Property lying in a special flood hazard area (Zone V or A) as shown on the current Federal Emergency Management Agency map; or (iii) any exceptions which prohibit the following use or activity:

Buyer must object the earlier of (i) the Closing Date or (ii) ___ days after Buyer receives the Commitment, Exception Documents, and the survey. Buyer’s failure to object within the time allowed will constitute a waiver of Buyer’s right to object; except that the requirements in Schedule C of the Commitment are not waived. Provided Seller is not obligated to incur any expense, Seller shall cure any timely objections of Buyer or any third party lender within ___ days after Seller receives the objections (Cure Period) and the Closing Date will be extended as necessary. If objections are not cured within the Cure Period, Buyer may, by delivering notice to Seller within ___ days after the end of the Cure Period: (i) terminate this contract and the earnest money will be refunded to Buyer; or (ii) waive the objections. If Buyer does not terminate within the time required, Buyer shall be deemed to have waived the objections. If the Commitment or Survey is revised or any new Exception Document(s) is delivered, Buyer may object to any new matter revealed in the revised Commitment or Survey or new Exception Document(s) within the same time stated in this paragraph to make objections beginning when the revised Commitment, Survey, or Exception Document(s) is delivered to Buyer.

E. TITLE NOTICES:

(1) ABSTRACT OR TITLE POLICY: Broker advises Buyer to have an abstract of title covering the Property examined by an attorney of Buyer’s selection, or Buyer should be furnished with or obtain a Title Policy. If a Title Policy is furnished, the Commitment should be promptly reviewed by an attorney of Buyer’s choice due to the time limitations on Buyer’s right to object.

☐ (2) MEMBERSHIP IN PROPERTY OWNERS ASSOCIATION(S): The Property is X is not subject to mandatory membership in a property owners association(s). If the Property is subject to mandatory membership in a property owners association(s), Seller complies with §5.012, Texas Property Code, that, as a purchaser of property in the residential community identified in Paragraph 2 in which the Property is located, you are obligated to be a member of the property owners association(s). Restrictive covenants governing the use and occupancy of the Property and all dedicatory instruments governing the establishment, maintenance, and operation of this residential community have been or will be recorded in the Real Property Records of the county in which the Property is located. Copies of the restrictive covenants and dedicatory instruments may be obtained from the county clerk. You are obligated to pay assessments to the property owners association(s). The amount of the assessment is subject to change. Your failure to pay the assessments could result in enforcement of the association’s lien on and the foreclosure of the Property.

Section 207.003, Property Code, entitles an owner to receive copies of any document that governs the establishment, maintenance, or operation of a subdivision, including, but not limited to, restrictions, bylaws, rules and regulations, and a resale certificate from a property owners’ association. A resale certificate contains information including, but not limited to, statements specifying the amount and frequency of regular assessments and the style and cause number of lawsuits to which the property owners’ association is a party, other than lawsuits relating to unpaid ad valorem taxes of an individual member of the association. These documents must be made available to you by the property owners’ association or the association’s agent on your request.

If Buyer is concerned about these matters, the TREC promulgated Addendum for Property Subject to Mandatory Membership in a Property Owners Association should be used.
3. STATUTORY TAX DISTRICTS: If the Property is situated in a utility or other statutory
created district providing water, sewer, drainage, or flood control facilities and services,
Chapter 49, Texas Water Code, requires Seller to deliver and Buyer to sign the statutory
notice relating to the tax levy, bonded indebtedness, or any other levy of the district prior to
the final execution of this contract.

4. TIDE WATERS: If the Property abuts the tidally influenced waters of the state. §33.135,
Texas Natural Resources Code, requires notice regarding coastal area property to be
included in the contract. An addendum containing the notice promulgated by TREC or
required by the parties must be used.

5. ANNEXATION: If the Property is located outside the limits of a municipality, Seller notifies
Buyer under §5.011, Texas Property Code, that the Property may now or later be included in
the extraterritorial jurisdiction of a municipality and may now or later be subject to
annexation by the municipality. Each municipality maintains a map that depicts its
boundaries and extraterritorial jurisdiction. To determine if the Property is located within
the municipality’s extraterritorial jurisdiction or is likely to be located within a municipality’s
extraterritorial jurisdiction, contact all municipalities located in the general proximity of the
Property for further information.

6. PROPERTY LOCATED IN A CERTIFICATED SERVICE AREA OF A UTILITY SERVICE PROVIDER:
Notice required by §13.257, Water Code: The real property described in Paragraph 2, 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. The undersigned Buyer hereby acknowledges receipt of the foregoing notice
at or before the execution of a binding contract for the purchase of the real property
described in Paragraph 2 or at closing of purchase of the real property.

7. PUBLIC IMPROVEMENT DISTRICTS: If the Property is in a public improvement district,
§5.014, Property Code, requires Seller to notify Buyer as follows: As a purchaser of this
parcel of real property you are obligated to pay an assessment to the municipality or county for
an improvement project undertaken by a public improvement district under Chapter 372,
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. Your failure to pay the assessments could
result in a lien on and the foreclosure of your property.

8. TEXAS AGRICULTURAL DEVELOPMENT DISTRICT: The Property is located in a
Texas Agricultural Development District. For additional information, contact the Texas
Department of Agriculture.

9. TRANSFER FEES: If the Property is subject to a private transfer fee obligation, §5.205,
Property Code, requires Seller to notify Buyer as follows: The private transfer fee obligation
may be governed by Chapter 5, Subchapter G of the Texas Property Code.

10. 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 Buyer written notice as
required by §141.010, Texas Utilities Code. An addendum containing the notice approved by
TREC or required by the parties should be used.

11. NOTICE OF WATER LEVEL FLUCTUATIONS: If the Property adjoins an impoundment of water,
including a reservoir or lake, constructed and maintained under Chapter 11, Water Code,
that has a storage capacity of at least 5,000 acre-feet at the impoundment’s normal
operating level. Seller hereby notifies Buyer: “The water level of the impoundment of water
adjoining the Property fluctuates for various reasons, including as a result of: (1) an entity
lawfully exercising its right to use the water stored in the impoundment; or (2) drought or
flood conditions.”

7. PROPERTY CONDITION:

A. ACCESS, INSPECTIONS AND UTILITIES: Seller shall permit Buyer and Buyer’s agents access to
the Property at reasonable times. Buyer may have the Property inspected by inspectors
selected by Buyer or licensed by TREC or otherwise permitted by law to make inspections.
Seller at Seller’s expense shall immediately cause existing utilities to be turned on and shall
keep the utilities on during the time this contract is in effect.

B. ACCEPTANCE OF PROPERTY CONDITION: “As Is” means the present condition of the Property
with any and all defects and without warranty except for the warranties of title and the
warranties in this contract. Buyer’s agreement to accept the Property in this condition
relates to the Property as is under Paragraph 7B (1) or (2) does not preclude Buyer from inspecting the Property under Paragraph 7A, from
negotiating repairs or treatments in a subsequent amendment, or from terminating this
contract during the Option Period, if any.
(Check one box only)

(1) Buyer accepts the Property As Is.

(2) Buyer accepts the Property As Is provided Seller, at Seller's expense, shall complete the following specific repairs and treatments:

(Do not insert general phrases, such as "subject to inspections" that do not identify specific repairs and treatments.)

C. COMPLETION OF REPAIRS: Unless otherwise agreed in writing: (i) Seller shall complete all agreed repairs and treatments prior to the Closing Date; and (ii) all required permits must be obtained, and repairs and treatments must be performed by persons who are licensed to provide such repairs or treatments or, if no license is required by law, are commercially engaged in the trade of providing such repairs or treatments. At Buyer's election, any transferable warranties received by Seller with respect to the repairs and treatments will be transferred to Buyer at Buyer's expense. If Seller fails to complete any agreed repairs and treatments prior to the Closing Date, Buyer may exercise remedies under Paragraph 15 or extend the Closing Date up to 5 days, if necessary, for Seller to complete repairs and treatments.

D. ENVIRONMENTAL MATTERS: Buyer is advised that the presence of wetlands, toxic substances, including asbestos and wastes or other environmental hazards, or the presence of a threatened or endangered species or its habitat may affect Buyer's intended use of the Property. If Buyer is concerned about these matters, an addendum promulgated by TREC or required by the parties should be used.

E. SELLER'S DISCLOSURES: Except as otherwise disclosed in this contract, Seller has no knowledge of the following:

(1) any flooding of the Property which has had a material adverse effect on the use of the Property;
(2) any pending or threatened litigation, condemnation, or special assessment affecting the Property;
(3) any environmental hazards that materially and adversely affect the Property;
(4) any dumping on or near or previously located on the Property;
(5) any wetlands, as defined by federal or state law or regulation, affecting the Property; or
(6) any threatened or endangered species or their habitat affecting the Property.

8. BROKERS' FEES: All obligations of the parties for payment of brokers' fees are contained in separate written agreements.

9. CLOSING:

A. The closing of the sale will be on or before October 31, 2019, or within 7 days after objections made under Paragraph 8D have been cured or waived, whichever date is later (Closing Date). If either party fails to close the sale by the Closing Date, the non-defaulting party may exercise the remedies contained in Paragraph 15.

B. At closing:

(1) Seller shall execute and deliver a general warranty deed conveying title to the Property to Buyer and showing no additional exceptions to those permitted in Paragraph 6B and furnish tax statements or certificates showing no delinquent taxes on the Property.
(2) Buyer shall pay the Sales Price in good funds acceptable to the escrow agent.
(3) Buyer and Seller shall execute and deliver any notices, statements, certificates, affidavits, releases, loan documents and other documents reasonably required for the closing of the sale and the issuance of the Title Policy.
(4) There will be no liens, assessments, or security interests against the Property which will not be satisfied out of the sales proceeds unless securing the payment of any loans assumed by Buyer and assumed loans will not be in default.

10. POSSESSION:

A. Buyer's Possession: Seller shall deliver to Buyer possession of the Property in its present or required condition upon closing and funding.

B. Leases:

(1) After the Effective Date, Seller may not execute any lease (including but not limited to mineral leases) or convey any interest in the Property without Buyer's written consent.
(2) If the Property is subject to any lease to which Seller is a party, Seller shall deliver to Buyer copies of the lease(s) and any move-in condition form signed by the tenant within 7 days after the Effective Date of the contract.

11. SPECIAL PROVISIONS: (Insert only factual statements and business details applicable to the sale. TREC rules prohibit license holders from adding factual statements or business details for which a contract addendum or other form has been promulgated by TREC for mandatory use.)

See Exhibit B - Special Provisions

Initialed for identification by Buyer and Seller
12. SETTLEMENT AND OTHER EXPENSES:
A. The following expenses must be paid at or prior to closing:
   (1) Expenses payable by Seller (Seller's Expenses):
      (a) Releases of existing liens, including prepayment penalties and recording fees; release of
         Seller's loan liability; tax statements or certificates; preparation of deed; one-half of escrow fee; and other expenses payable by Seller under this contract.
      (b) Seller shall also pay an amount not to exceed $ to be applied in the following order: Buyer's Expenses which Buyer is prohibited from paying by FHA, VA, Texas Veterans Land Board or other governmental loan programs, and then to other Buyer's Expenses as allowed by the lender.
   (2) Expenses payable by Buyer (Buyer's Expenses): Appraisal fees; loan application fees; origination charges; credit report preparation of loan documents; interest on the notes from date of disbursement to one month prior to date of first monthly payments; recording fees; copies of easements and restrictions; loan title policy with endorsements required by lender; loan-related inspection fees; photos; amortization schedules; one-half of escrow fee; all prepaid items, including required premiums for flood and hazard insurance, reserve deposits for insurance, ad valorem taxes and special governmental assessments; final compliance inspection; courier fees; repair inspection; underwriting fees; wire transfer fees; expenses incident to any loan; Private Mortgage Insurance Premium (PMI), VA Loan Funding Fee, FHA Mortgage Insurance Premium (MIP) as required by the lender; and other expenses payable by Buyer under this contract.
B. If any expense exceeds an amount expressly stated in this contract for such expense to be paid by a party, that party may terminate this contract unless the other party agrees to pay such excess. Buyer may not pay charges and fees expressly prohibited by FHA, VA, Texas Veterans Land Board or other governmental loan program regulations.

13. PRORATIONS AND ROLLBACK TAXES:
A. PRORATIONS: Taxes for the current year, interest, maintenance fees, assessments, dues and reserves will be prorated through the Closing Date. The tax proration may be calculated taking into consideration any change in exemptions that will affect the current year's taxes. If taxes for the current year vary from the amount prorated or closing, the parties shall adjust the prorations when tax statements for the current year are available. If taxes are not paid at or prior to closing, Buyer shall pay taxes for the current year.
B. ROLLBACK TAXES: If this sale or Buyer's use of the Property after closing results in the assessment of additional taxes, penalties or interest (Assessments) for periods prior to closing, the Assessments will be the obligation of Buyer. If Assessments are imposed because of Seller's use or change in use of the Property prior to closing, the Assessments will be the obligation of Seller. Obligations imposed by this paragraph will survive closing.

14. CASUALTY LOSS: If any part of the Property is damaged or destroyed by fire or other casualty after the Effective Date of this contract, Seller shall restore the Property to its previous condition as soon as reasonably possible, but in any event by the Closing Date. If Seller fails to do so due to factors beyond Seller's control, Buyer may (a) terminate this contract and the earnest money will be refunded to Buyer (b) extend the time for performance up to 15 days and the Closing Date will be extended as necessary or (c) accept the Property in its damaged condition with an advancement of insurance proceeds, if permitted by Seller's insurance carrier, and receive credit from Seller at closing in the amount of the deductible under the insurance policy. Seller's obligations under this paragraph are independent of any other obligations of Seller under this contract.

15. DEFAULT: If Buyer fails to comply with this contract, Buyer will be in default, and Seller may (a) enforce specific performance, seek such other relief as may be provided by law, or both, or (b) terminate this contract and receive the earnest money as liquidated damages, thereby releasing both parties from this contract. If Seller fails to comply with this contract Seller will be in default and Buyer may (a) enforce specific performance, seek such other relief as may be provided by law, or both, or (b) terminate this contract and receive the earnest money, thereby releasing both parties from this contract.

16. MEDIATION: It is the policy of the State of Texas to encourage resolution of disputes through alternative dispute resolution procedures such as mediation. Any dispute between Seller and Buyer related to this contract which is not resolved through informal discussion will be submitted to a mutually acceptable mediation service or provider. The parties to the mediation shall bear the mediation costs equally. This paragraph does not preclude a party from seeking equitable relief from a court of competent jurisdiction.

17. ATTORNEYS' FEES: A Buyer, Seller, Listing Broker, Other Broker, or escrow agent who prevail in any legal proceeding related to this contract is entitled to recover reasonable attorney's fees and all costs of such proceeding.

18. ESCROW:
A. ESCROW: The escrow agent is not (i) a party to this contract and does not have liability for the performance or nonperformance of any party to this contract, (ii) liable for interest on the earnest money and (iii) liable for the loss of any earnest money caused by the failure of any financial institution in which the earnest money has been deposited unless the financial institution is acting as escrow agent.
B. ESCROW: At closing, the earnest money must be applied first to any cash down payment, then to Buyer's Expenses and any excess refunded to Buyer. If no closing occurs, earn.
agent may: (i) require a written release of liability of the escrow agent from all parties; (ii) require payment of unpaid expenses incurred on behalf of a party, and (iii) only deduct from the earnest money the amount of unpaid expenses incurred on behalf of the party receiving the earnest money.

C. DEMAND: Upon termination of this contract, either party or the escrow agent may send a release of earnest money to each party and the parties shall execute counterparts of the release and deliver same to the escrow agent. If either party fails to execute the release, either party may make a written demand to the escrow agent for the earnest money. If only one party makes written demand for the earnest money, escrow agent shall promptly provide a copy of the demand to the other party. If escrow agent does not receive written objection to the demand from the other party within 15 days, escrow agent may disburse the earnest money to the party making demand reduced by the amount of unpaid expenses incurred on behalf of the party receiving the earnest money and escrow agent may pay the same to the creditors. If escrow agent complies with the provisions of this paragraph, each party hereby releases escrow agent from all adverse claims related to the disbursal of the earnest money.

D. DAMAGES: Any party who wrongfully fails or refuses to sign a release acceptable to the escrow agent within 7 days of receipt of the request will be liable to the other party for (i) damages; (ii) the earnest money; (iii) reasonable attorney’s fees; and (iv) all costs of suit.

E. NOTICES: Escrow agent’s notices will be effective when sent in compliance with Paragraph 21. Notice of objection to the demand will be deemed effective upon receipt by escrow agent.

19. REPRESENTATIONS: All covenants, representations and warranties in this contract survive closing. If any representation of Seller in this contract is untrue on the Closing Date, Seller will be in default. Unless expressly prohibited by written agreement, Seller may continue to show the Property and receive, negotiate and accept back up offers.

20. FEDERAL TAX REQUIREMENTS: If Seller is a “foreign person,” as defined by Internal Revenue Code and its regulations, or if Seller fails to deliver an affidavit or a certificate of non-foreign status to Buyer that Seller is not a “foreign person,” then Buyer shall withhold from the sales proceeds an amount sufficient to comply with applicable tax law and deliver the same to the Internal Revenue Service together with appropriate tax forms. Internal Revenue Service regulations require filing written reports if currency in excess of specified amounts is received in the transaction.

21. NOTICES: All notices from one party to the other must be in writing and are effective when mailed to, hand-delivered at, or transmitted by fax or electronic transmission as follows:

To Buyer  
To Seller  
at: Thomas E. Huth  
at: 12700 Connemara Ln  
Fax: (972) 774-4494  
Fax: 972.824.1943  
E-mail: thuth@palladiumusa.com  
E-mail: yunkyuengchu@gmail.com  

22. AGREEMENT OF PARTIES: This contract contains the entire agreement of the parties and cannot be changed except by their written agreement. Addenda which are a part of this contract are (check all applicable boxes):

☑ Third Party Financing Addendum  
☑ Seller Financing Addendum  
☑ Addendum for Property Subject to Mandatory Membership in a Property Owners Association  
☑ Buyer’s Temporary Residential Lease  
☑ Seller’s Temporary Residential Lease  
☑ Addendum for Reservation of Oil, Gas and Other Minerals  
☑ Addendum for “Back-Up” Contract  
☑ Addendum Concerning Right to Terminate Due to Lender’s Appraisal  
☑ Addendum for Coastal Area Property  
☑ Environmental Assessment, Threatened or Endangered Species and Wetlands Addendum  
☑ Addendum for Property Located Seaward of the Gulf Intracoastal Waterway  
☑ Addendum for Sale of Other Property by Buyer  
☑ Addendum for Property in a Propane Gas System Service Area  
☑ Other (list): Exhibit A - Survey  
☑ Exhibit B - Special Provisions  
☑ Exhibit C - Buyer Deliverables
23. TERMINATION OPTION: For nominal consideration, the receipt of which is hereby acknowledged by Seller, and Buyer's agreement to pay Seller $50.00 (Option Fee) within 3 days after the Effective Date of this contract, Seller grants Buyer the unrestricted right to terminate this contract by giving notice of termination to Seller within see Exhibit B days after the Effective Date of this contract (Option Period). Notices under this paragraph must be given by 5:00 p.m. (local time where the Property is located) by the date specified. If no dollar amount is stated as the Option Fee or if Buyer fails to pay the Option Fee to Seller within the time prescribed, this paragraph will not be a part of this contract and Buyer shall not have the unrestricted right to terminate this contract. If Buyer gives notice of termination within the time prescribed, the Option Fee will not be refunded; however, any earnest money will be refunded to Buyer. The Option Fee will not be credited to the Sales Price at closing. Time is of the essence for this paragraph and strict compliance with the time for performance is required.

24. CONSULT AN ATTORNEY BEFORE SIGNING: TREC rules prohibit real estate license holders from giving legal advice. READ THIS CONTRACT CAREFULLY.

Buyer's Attorney is: David Brusilow
Coats Rose
14755 Preston Road, Suite 600, Dallas
Phone: (972)788-1600
Fax: (972)702-6662
E-mail: brusilow@coatsrose.com

Seller's Attorney is: 

Phone: 
Fax: 
E-mail: 

EXECUTED the 22nd day of July, 2018 (Effective Date).
(BROKER: FILL IN THE DATE OF FINAL ACCEPTANCE.)

Buyer: Palladium USA International

Seller: Yun Kyong Chu

The form of this contract has been approved by the Texas Real Estate Commission. TREC forms are intended for use only by trained real estate license holders. No representation is made as to the legal validity or adequacy of any provision in any specific transactions. It is not intended for complex transactions. Texas Real Estate Commission, P.O. Box 12188, Austin, TX 78711-2188, (512) 936-3000 (http://www.trec.texas.gov) TREC NO. 9-13. This form replaces TREC NO. 9-12.
**BROKER INFORMATION**

(Print name(s) only. Do not sign)

<table>
<thead>
<tr>
<th>RKS Group, Inc.</th>
<th>471828</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other Broker Firm</td>
<td>License No.</td>
</tr>
<tr>
<td>represents</td>
<td>Buyer only as Buyer's agent</td>
</tr>
<tr>
<td>Seller as Listing Broker's subagent</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Emersons Commercial Real Estate</th>
<th>366163</th>
</tr>
</thead>
<tbody>
<tr>
<td>Listing Broker Firm</td>
<td>License No.</td>
</tr>
<tr>
<td>represents</td>
<td>Seller only as Seller's agent</td>
</tr>
<tr>
<td>Seller and Buyer as an intermediary</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Jennifer Butler</th>
<th>681190</th>
</tr>
</thead>
<tbody>
<tr>
<td>Listing Associate's Name</td>
<td>License No.</td>
</tr>
<tr>
<td><a href="mailto:jbutler@emersoncre.com">jbutler@emersoncre.com</a></td>
<td>Listing Associate's Email Address</td>
</tr>
<tr>
<td>Phone</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Richard Webb</th>
<th>366163</th>
</tr>
</thead>
<tbody>
<tr>
<td>Licensed Supervisor of Listing Associate</td>
<td>License No.</td>
</tr>
<tr>
<td>17776 Preston Road</td>
<td>Listing Broker's Office Address</td>
</tr>
<tr>
<td>Phone</td>
<td></td>
</tr>
</tbody>
</table>

| Dallas | TX | 75219 |
|-----------------|--------|
| Other Broker's Address | Phone |

| Dallas | TX | 75252 |
|-----------------|--------|
| City | State | Zip |

Selling Associate's Name | License No. |

Selling Associate's Email Address | Phone |

Licensed Supervisor of Selling Associate | License No. |

Selling Associate's Office Address |

City | State | Zip |

---

Listing Broker has agreed to pay Other Broker [percentage] of the total sales price when the Listing Broker's fee is received. Escrow agent is authorized and directed to pay Other Broker from Listing Broker's fee at closing.
### OPTION FEE RECEIPT

<table>
<thead>
<tr>
<th>Receipt of $50</th>
<th>(Option Fee) in the form of</th>
<th>Check</th>
</tr>
</thead>
<tbody>
<tr>
<td>J Butler</td>
<td></td>
<td>7/25/18</td>
</tr>
<tr>
<td>Seller or Listing Broker</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### EARNEST MONEY RECEIPT

<table>
<thead>
<tr>
<th>Receipt of $25,000.00</th>
<th>Earnest Money in the form of</th>
<th>Wire</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jackye Mees</td>
<td></td>
<td><a href="mailto:jmees@coatsrose.com">jmees@coatsrose.com</a> 7/24/18 12:55 pm</td>
</tr>
<tr>
<td>Escrow Agent</td>
<td>Received by</td>
<td></td>
</tr>
<tr>
<td>14755 Preston Road, Suite 600</td>
<td>Email Address</td>
<td>972.419.4760 Direct</td>
</tr>
<tr>
<td>Dallas, Texas 75254</td>
<td></td>
<td>214.288.0277 Mobile</td>
</tr>
<tr>
<td>City: State Zip:</td>
<td>Phone</td>
<td>972.419.4725 Fax</td>
</tr>
<tr>
<td></td>
<td>Fax</td>
<td></td>
</tr>
</tbody>
</table>

### CONTRACT RECEIPT

<table>
<thead>
<tr>
<th>Receipt of the Contract is acknowledged.</th>
<th><a href="mailto:jmees@coatsrose.com">jmees@coatsrose.com</a> 7/23/2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jackye Mees</td>
<td></td>
</tr>
<tr>
<td>Escrow Agent</td>
<td>Received by</td>
</tr>
<tr>
<td>14755 Preston Road, Suite 600</td>
<td>Email Address Date</td>
</tr>
<tr>
<td>Dallas, Texas 75254</td>
<td>Phone</td>
</tr>
<tr>
<td>City: State Zip:</td>
<td>Fax</td>
</tr>
</tbody>
</table>

### ADDITIONAL EARNEST MONEY RECEIPT

<table>
<thead>
<tr>
<th>Receipt of $ additional Earnest Money in the form of</th>
<th>Escrow Agent</th>
<th>Received by</th>
<th>Email Address</th>
<th>Date/Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>J Butl 7/25/18</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4001 Fain St Fort Worth, TX 75111</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
EXHIBIT B – SPECIAL PROVISIONS
To 4001 Fain Street, Ft. Worth, Texas Unimproved Property Contract (the
"Contract") for approximately Five (5) Acres in Size

Earnest Money: Within three (3) business days following the Effective Date, Buyer shall
deliver to Chicago Title Insurance Company, 14755 Preston Road, Suite 600, Dallas, Texas
75254, Attention: Becky Brusilow, telephone number 972-419-4710; Fax 972-419-4725;
Email: rbrusilow@coatsrose.com (the “Title Company”), as escrow agent, Twenty-Five
Thousand and No/100 Dollars ($25,000.00) as earnest money (together with all interest
accrued thereon, the “Earnest Money Deposit”) with $10,000.00 of this Earnest Money
Deposit being immediately non-refundable and released to seller except by reason of
Seller’s default, and another $5,000.00 of this Earnest Money Deposit being non-
refundable and released to seller as of April 30, 2019, provided this Contract has not sooner
been terminated, with such amount applied to the Sales Price at Closing. Provided this
Contract has not sooner been terminated, the final $10,000.00 balance of the Earnest
Money Deposit shall be non-refundable and released to seller as of July 31, 2019. At or
prior to the expiration of the Feasibility Period, herein defined, Buyer shall deposit an
additional Thirty-Five Thousand and No/100 Dollars ($35,000.00) as “Additional Earnest
Money”. All deposits shall be deemed “Earnest Money Deposit”, shall be applicable to
the Sales Price at Closing, and if Buyer does not timely deliver the Earnest Money Deposit
as provided in Section 5, Buyer shall be deemed to have terminated this Contract and any
portion of the Earnest Money Deposit received by the Title Company shall be returned,
subject to the terms contained herein, to Buyer, and neither party shall have any further
rights or obligations hereunder, except for any provisions which survive the termination
hereof. The Earnest Money Deposit shall be deposited and held by the Title Company in
a federally insured account. In the event the transaction is not closed, the Earnest Money
Deposit shall be disbursed in accordance with the provisions of this Contract.

Closing: The closing of the sale of the Property to Buyer (the “Closing”) shall take place
at the Title Company pursuant to an escrow closing on or before October 31, 2019 (the
“Closing Date”) provided, however, that Buyer may elect to close at any time upon ten (10)
day’s written notice to Seller. Buyer shall have the right to extend the date of Closing for
three (3) additional periods of sixty (60) days each by giving written notice to Seller
together with the payment of Thirty-Five Thousand ($35,000.00) to Seller for each said
60 day extension, which amount shall be non-refundable (except in the event of Seller’s
default hereunder and subject to meeting all of the Closing conditions hereinafter set forth),
but shall be applicable to the Sales Price at Closing. At Closing, if applicable, Seller shall
grant a non-exclusive access and utility easement over Seller’s adjacent property. Buyer
will be responsible for constructing and maintaining the improvements within the
easement, if any, at Buyer’s expense.

Initialed for identification by Buyer [Signature] and Seller [Signature]
Feasibility Period:

(a) Buyer, at Buyer’s expense, shall conduct such engineering studies of the Property, physical inspections of the Property and studies including structural engineering, economic feasibility and related matters that Buyer deems necessary, including studies and inspections to determine the existence of any environmental hazards or conditions (collectively, the “Feasibility Study”) during the period (the “Feasibility Period”) commencing on the Effective Date of this Contract and ending at 5:00 p.m., Fort Worth, Texas time on July 31, 2019 for Buyer’s intended development of the Property which is construction of multifamily housing (the “Project”). Buyer or its designated agents may enter upon the Property during normal business hours (8 a.m. to 6 p.m., Monday through Friday) during the Feasibility Period, for purposes of analysis or other tests and inspections which may be deemed necessary by Buyer for the Feasibility Study. Buyer shall indemnify Seller for any actual direct losses incurred by Seller in connection with any property damage or personal injury claims arising out of such inspections and testing by Buyer on the Property, except for (i) any such losses which are caused by the negligence or misconduct of Seller, and (ii) any diminution in value of the Property as a result of any findings of Buyer during its Feasibility Study. Buyer shall not conduct any physically destructive or invasive studies or tests to the Property without Seller’s prior written consent, which consent will not be unreasonably withheld. In the event Buyer does not deliver to Seller the items described herein within 30 days of the prescribed timeframes, Seller may terminate this contract and the Earnest Money Deposit shall be disbursed in accordance with the provisions of this Contract.

(b) If Buyer determines for any reason whatsoever, in its sole discretion, at any time prior to the expiration of the Feasibility Period that the Property is not satisfactory to Buyer, then Buyer may terminate this Contract by written notice to Seller within the Feasibility Period given in accordance with this Section, in which event the refundable portion of the Earnest Money Deposit, if any, shall be returned to Buyer by the Title Company, and thereafter neither party shall have any rights or liabilities hereunder, except for such matters contained herein that expressly survive the termination of this Contract. If Buyer does not indicate its disapproval of the Property by written notice given to Seller within the Feasibility Period, the conditions of this Section shall be deemed to have been satisfied, and Buyer may not thereafter terminate this Contract pursuant to this Section, except by reason of Seller’s default and subject to meeting all of the Closing conditions set forth in this Contract.

(c) The Feasibility Study conducted by Buyer shall be at Buyer’s expense. Buyer shall promptly restore the Property and the FF&E (if any) to its condition prior to Buyer’s entry thereon if damaged or changed due to the tests and inspections performed by Buyer, free of any mechanic’s or materialman’s liens or other encumbrances arising out of any of the inspections or tests.

(d) If Buyer does not elect to terminate this Contract during the Feasibility Period, the entire Earnest Money Deposit shall be non-refundable to Buyer except by reason of Seller’s default; provided, if Buyer terminates this Contract pursuant
to the express provisions of Section 15 following a default by Seller, Title Company shall promptly refund the Earnest Money Deposit less the non-refundable portion to Buyer.

**Governmental Approvals:** Buyer may, at its option and expense, prepare and submit prior to Closing all applications for, and seek to obtain approval by the City of Fort Worth, Texas and/or other applicable governmental authorities of all approvals, permits, licenses and agreements required for Buyer’s intended development and use of the property (collectively, the “Governmental Approvals”) including appropriate re-zoning if necessary to accommodate multi-family uses, and platting, if necessary. Buyer shall be responsible for all engineering, legal, zoning and other professional fees in connection with the preparation, submission and approval of the Governmental Approvals, any application fees, impact fees, drainage fees, development fees and all other fees charged by applicable governmental authority, and for all bonding of any on or off-site improvements, including sidewalks, required by applicable governmental authority in connection with the Governmental Approvals. Seller shall cooperate with Buyer in connection with the application and approval of the Governmental Approvals, including, without limitation, the timely execution and delivery of the applications, documents and instruments required by the City of Fort Worth, Texas and other applicable governmental authority, provided that Seller shall not be obligated to incur any expense in connection therewith.

**Assignment:** Buyer may assign this Contract without Seller’s prior written consent only to an affiliate, which for purposes hereof shall mean an individual, corporation, partnership, joint venture, limited liability company, trust, estate, association, cooperative or other organization or entity of any nature whatsoever that directly, or indirectly through one or more intermediaries, has Control of, is Controlled by, or is under common Control with any other Person and shall include a limited partnership of which the Buyer or an affiliate is a principal general partner, or special limited partner as defined in the TDHCA Qualified Allocation Plan. All entities that share a Principal are Affiliates.

**Miscellaneous:** Buyer shall have the right to file prior to Closing, at Buyer’s expense, any and all plans required in order to obtain a building permit, and any rezoning (to the extent necessary for multi-family use) or replatting (or the vacation of any existing subdivision or consolidation plat) or any other application to obtain any approval or permit from any and all governmental authorities having jurisdiction over the Property, which Buyer deems appropriate in connection with the Project. Seller agrees to join in the execution of any application required in order to obtain such permit or approval (or file such application individually if the relevant governmental authority shall so require). Seller further agrees to cooperate with Buyer or its nominee in all respects, including without limitation, attending and giving favorable testimony at any hearings on the petitions or applications, meeting with, and providing information to, public and private utilities and governmental and quasi-governmental entities and otherwise working to obtain the agreements, assurances, approvals and permits required by Buyer or its nominee without additional cost or obligation to Buyer or its nominee.

On or before March 1, 2019, Buyer agrees to file an application with the Texas Department of Housing and Community Affairs for approval of Buyer’s contemplated Project for

Initialed for identification by Buyer __________ and Seller __________

EXHIBIT B – SPECIAL PROVISIONS
eligibility in the Housing Tax Credit Program so that tax credits will be available to investors in the project pursuant to Section 42 of the Internal Revenue Code. Buyer further agrees to exercise commercially reasonable efforts and diligence to satisfy the requirements of TDHCA for eligibility in the Program. Upon request of Seller from time to time, Buyer shall provide reasonable evidence of Buyer's compliance with the provisions hereof.

**Buyer Deliverables:** In the event Buyer does not deliver to Seller the Items contained in Exhibit C within 30 days of the prescribed timeframes pursuant to Exhibit C, Seller may terminate this contract and the Earnest Money Deposit shall be disbursed in accordance with the provisions of this contract.

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]
EXHIBIT C
BUYER DELIVERABLE ITEMS

1/4/19: Submit Pre-Application to Texas Department of Housing and Community Affairs (TDHCA)

3/1/19: Provide Resolution of Support from City of Fort Worth

3/1/19: Provide Letter of Support from State Representative

3/1/19: Provide Letters of Support from at least two local non-profits

3/1/19: Provide Phase I Environmental Report

3/1/19: Provide Site Design and Feasibility Report by Civil Engineer

3/1/19: Provide Site Plan

3/1/19: Provide Unit Plans and Building Footprints

3/1/19: Submit Full Application to TDHCA

4/2/19: Provide Market Study

4/30/19: Provide TDHCA Full Application Log

7/30/19: Provide TDHCA Scoring Notice

8/1/19: Provide TDHCA Awards of Funding

9/30/19: Provide TDHCA Commitment of Funding

Initialed for identification by Buyer _______ and Seller _______