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

Application Number: 19162
Submitted Date: 1/8/2019 12:49PM
Submitted By: Ina Spokas

Contact Information

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Consultant Contact:

Development Information

Name of Proposed Entity: KCG Galveston Landing, LP
Development Name: Galveston Landing
Development Type: New Construction
Secondary Type: None
Previous TDHCA #: None
Initial Construction Year:
Units Demolished: 0
Units Reconstructed:
# of Non-Contiguous Sites:
# of Census Tracts: 1
Target Population: General
Development Address: NEC Galveston Road and Hillard Street
Houston, TX 77034
ETJ?: N
County: Harris
Region: 6
Rural/Urban: Urban
Census Tracts: 48201340201
Total LI Units: 90
Total MR Units: 10
Total Units: 100
HTC Request: $1,500,000.00
Pre-App Fee Due: $1,000.00
Has Fee already been submitted?: No
Name on Check:
Check Number: none

Notifications

U.S. Representative: Pete Olson
District: 22
State Senator: Larry Taylor
District: 11
State Representative: Dennis Paul
District: 129
School Superintendent: Dr. DeeAnn Powell  
School District: Pasadena ISD  
School District Address: 1515 Cherrybrook Lane Pasadena, TX 77502  
Presiding Officer of Board of Trustees: Nelda Sullivan  
Address: 1515 Cherrybrook Lane Pasadena, TX 77502  
Elected Officials:  
- Lina Hidalgo  
- Rodney Ellis  
- Adrian Garcia  
- Steve Radack  
- R. Jack Cagle  
- Brenda Stardig  
- Jerry Davis  
- Ellen Cohen  
- Dwight Boykins  
- Dave Martin  
- Steve Le  
- Greg Travis  
- Karla Cisneros  
- Robert Gallegos  
- Mike Laster  
- Martha Castex-Tatum  
- Mike Knox  
- David Robinson  
- Michael Kubosh  
- Amanda Edwards  
- Jack Christie  
- Sylvester Turner  

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: 7  
- Underserved Area: 3  
- Tenant Populations with Special Housing Needs: 2  
- Proximity to the Urban Core: 0  
- Serve and Support Texans Most in Need Total: 49
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: 120

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

Readiness to Proceed: 5 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: 0 points
Eligible to score at least 4 points under Opportunity Index?:

Attachments and Certifications

Site Control Documentation: 19162 - Purchase Agreement Galveston Road (EXEC)(2018)

Census Tract Map: 19162 - census tract map.pdf

Neighborhood Risk Factors:

Other Pertinent Information: 19162 - additional information - Staff Determination Request
REAL ESTATE SALE AGREEMENT
AND JOINT ESCROW INSTRUCTIONS

THIS REAL ESTATE SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS (this "Agreement") is made and entered into this 21st day of December, 2018, by 84SLB1, LLC, a Pennsylvania limited liability company, (herein "Seller") and KCG Development, LLC, a Florida limited liability company (herein "Purchaser").

1. REAL ESTATE. Seller agrees to sell and Purchaser agrees to purchase, all upon the terms and subject to the conditions contained in this Agreement, that certain real property in the County of Harris, State of Texas being known as a portion of Block 1, Restricted Reserve “A” and Reserve “B” of the Galveston 84 Lumber Subdivision recorded as Film Code No. 677811 in the Map Records of Harris County, Texas, as more particularly described in Exhibit A to this Agreement (the “Real Estate”) and all improvements thereon (together, the “Subject Property”). Specifically included as part of the Subject Property are all plumbing, heating, cooling and electrical fixtures and systems, all trees, shrubbery and plantings and fencing.

2. PURCHASE PRICE. Purchaser agrees to purchase the Subject Property for the purchase price which shall be $2,352,240.00 (the "Purchase Price"), payable as follows:

2.1 Earnest money in the amount of Seventy Five Thousand Dollars ($75,000.00) paid in accordance with the provisions of Paragraph 4 of this Agreement; and

2.2 The balance of the Purchase Price paid in accordance with Paragraph 4 of this Agreement, subject to adjustments and pro-rations as provided for herein.

3. DEED OF CONVEYANCE; STATUS OF TITLE. At closing of the purchase and sale of the Subject Property pursuant to this Agreement (the “Closing”), Seller shall convey title to the Real Estate to the Purchaser by a Special Warranty Deed for the property, subject only to the Permitted Exceptions (as such term is defined below).

4. ESCROW; EARNEST MONEY; PAYMENT OF BALANCE OF PURCHASE PRICE. Within ten (10) business days of the execution of this Agreement by Purchaser, Purchaser will deposit directly with the office of Fidelity National Title Insurance Company c/o Jana Hutchins, 4111 Executive Parkway, Suite 304, Westerville, OH 43081-3682 (the “Escrow Agent”), in the form of a wire transfer of funds or a bank cashier’s check (“Cash Equivalent”) the sum of Seventy Five Thousand Dollars ($75,000.00) (the “Escrow Deposit”). The Escrow Deposit will be held by the Escrow Agent in a non-interest bearing trust or escrow account and disbursed by the Escrow Agent strictly in accordance with the provisions hereof. On or before the Closing Date (as that term is defined in Paragraph 5, below), but in no event later than required to permit the timely closing of the Agreement by the Closing Date, Purchaser will cause the balance of the Purchase Price, plus all costs and prorations for which Purchaser is responsible hereunder, but less all proper credits due Purchaser from Seller hereunder, to be paid,
in the form of Cash Equivalent, to the Escrow Agent for the benefit of Seller. Escrow Agent shall disburse the Escrow Deposit and any other sums received from Purchaser on account as follows:

(i) To Seller, if and when the Closing occurs; or

(ii) To either Seller or Purchaser (as the case may be) after receiving written notice from one of said parties stating that the other party to this Agreement is in default, and requesting remittance of the Escrow Deposit; provided, however, that Escrow Agent shall not remit the Escrow Deposit until it has first delivered a copy of said notice to the other party and five (5) days have elapsed without the other party objecting to said disbursement. In the event of any objection to said disbursement by the said other party, Escrow Agent shall either continue to hold said Escrow Deposit in escrow until it receives written disbursement directions agreed to by both parties, or until a final court order with all appeals and appeals periods having expired; or it may, at any time, deposit the Escrow Deposit with a court of competent jurisdiction selected by it, and in such event, Escrow Agent shall be fully released and discharged from all obligations hereunder.

By its joinder in this Agreement, Escrow Agent agrees to act as escrow agent for Seller and Purchaser in accordance with the provisions of this Paragraph 4. The duties of Escrow Agent hereunder are only as specifically provided and are purely ministerial in nature. Escrow Agent shall incur no liability to the parties except for the good faith performance of its duties as described herein. Purchaser shall be responsible for the payment of all fees of Escrow Agent.

5. CLOSING DATE. The Closing shall take place on or before December 31, 2019 (the “Closing Date”), at a mutually agreeable location, or at such other date, time or place upon which the parties mutually agree or by electronic mail.

6. SELLER’S TITLE INSURANCE POLICY. Attached to this Agreement as Exhibit B is a copy of the title insurance covering the Real Estate issued (“Seller’s Title Policy”).

7. PERMITTED EXCEPTIONS. At Closing, the Subject Property shall be conveyed to Purchaser free and clear of all liens and encumbrances except as follows: (i) the lien of any real estate taxes which are not yet due and payable, (ii) water, sewer, gas, oil, electric, cable television, and telephone lines or easements of record or as presently installed; (iii) prior grants, reservations or leases of water, coal, oil, gas or other minerals; (iv) building and use restrictions of record; (v) any matters apparent from an inspection of the Subject Property, and (vi) any charges or installments for municipal improvements not assessed and due and payable as of the date of this Agreement. (The matters set forth in clauses (i) through (vi) are hereinafter referred to as the “Permitted Exceptions”.)
Purchaser will, at Purchaser’s sole cost and expense, obtain a preliminary title report for the Subject Property from a title company of Purchaser’s choice (the “Preliminary Title Report”). If the Preliminary Title Report discloses any matter which needs to be released or removed in order for title to the Subject Property to be conveyed to Purchaser in accordance with the provisions of this Paragraph 7 (other than release or satisfaction of any mortgage or security interest granted by Seller with respect to the Subject Property, which Seller hereby agrees to release or satisfy at Closing), no later than One Hundred Twenty (120) days following the date of this Agreement, time being of the essence, Purchaser will notify Seller in writing of such matter (a “Title Objection”). The failure of Purchaser to give notice to Seller within One Hundred Twenty (120) days following the date of this Agreement of any matter to which Purchaser has objection shall constitute an irrevocable waiver of Purchaser’s right to raise such matter as a Title Objection. Upon receipt of a timely notice of a Title Objection, Seller will undertake such steps as Seller, acting in good faith, deems reasonable under the circumstance either (a) to cause such Title Objection to be released or satisfied or (b) to induce the title insurance company which issued the Preliminary Title Report to issue a title insurance policy to Purchaser without the Title Objection, it being understood that Seller shall have no obligation whatsoever to expend any sum or undertake any actual or potential liability in excess of $500 in connection therewith. If, at Closing, any Title Objection has not been released or removed despite Seller’s good faith efforts as aforesaid, then Purchaser shall have the option to either (x) terminate this Agreement forthwith (in which event the Escrow Deposit and all other sums paid on account shall be repaid to Purchaser), or (y) accept title to the Subject Property subject to the Title Objection without any change in the Purchase Price.

8. PRORATE EXPENSES. General real estate taxes for 2019 and municipal service charges shall be adjusted ratably between Purchaser and Seller as of the Closing Date based on a calendar year, and all based upon the most current available bills. Except as otherwise provided in Paragraph 21.18, such proration shall be final. Purchaser shall be solely responsible for any and all charges for municipal improvements assessed or becoming due from and after the date of Closing including future installments thereof.

9. TAXES ON TRANSACTION. Purchaser shall be fully responsible for any transfer taxes (including, without limitation, real estate transfer taxes) and real estate recording taxes and fees due in respect of the sale of the Real Estate pursuant to this Agreement.

10. TITLE INSURANCE COSTS AND SURVEY. Purchaser shall pay the cost of all title examinations done and title insurance obtained on the Subject Property, as well as the cost of a survey.

11. SELLER’S CLOSING DELIVERIES. Seller shall deliver the following documents at Closing:

11.1 Special Warranty Deed conveying the Real Estate;
11.2 A closing statement; and

11.3 Such other instruments of conveyance and transfer as shall be reasonably necessary to transfer to Purchaser all of Seller’s right, title and interest to the Subject Property.

12. PURCHASER’S DELIVERIES. The following shall be delivered by Purchaser at Closing:

12.1 The payment as set forth in Paragraph 4.

12.2 The Declaration of Restrictive Covenant as set forth in Paragraph 21.20.

13. REPRESENTATIONS AND WARRANTIES OF SELLER. Seller hereby represents and warrants to Purchaser as follows:

13.1 ORGANIZATION. Seller is a limited liability company duly organized, validly existing and in good standing under the laws of the Commonwealth of Pennsylvania.

13.2 AUTHORITY. Seller has the right, power and authority to enter into this Agreement and to sell, assign, transfer and convey to Purchaser the Subject Property and perform its obligations under the terms of this Agreement. All action necessary for the execution, delivery and performance of this Agreement by Seller has been taken and this Agreement is legally binding upon Seller.

13.3 BROKERAGE OR FINDERS’ FEES. Neither Seller nor any of Seller’s officers, agents, employees or stockholders has employed any brokers, finders or other intermediaries, or incurred any liability for any brokerage fees, finders’ fees, commissions or other amounts, with respect to the transaction contemplated by this Agreement, which liabilities can be asserted against Purchaser or the Subject Property, or require payment by Purchaser, except as set forth below:

Seller will pay a 6% commission to ZM Interests Management, L.L.C. (DBA Davis Commercial) should this transaction close.

Seller will indemnify and hold Purchaser harmless with respect to any claim arising from Seller’s obligation to pay any item listed in this section.

13.4 CONDITION OF PROPERTY. If at the time of Closing, the improvements on the Subject Property are not in the same condition as on the date of this Agreement, ordinary wear and tear excepted, Seller may elect to repair any damage or to offer the
Subject Property to Purchaser in that condition. Purchaser may then either decide to proceed to Closing and accept the Subject Property in that condition or terminate this Agreement in which event the Escrow Deposit and all other sums paid on account shall be repaid to Purchaser.

13.5 DISCLAIMER. SELLER IS MAKING NO OTHER REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, OF ANY NATURE WHATSOEVER WITH RESPECT TO THE SUBJECT PROPERTY, (INCLUDING, BUT IN NO WAY LIMITED TO, ANY WARRANTY AS TO THE CONDITION, HABITABILITY, MERCHANTABILITY OR FITNESS OF THE SUBJECT PROPERTY FOR A PARTICULAR PURPOSE), EXCEPT FOR THE WARRANTIES OF TITLE SPECIFICALLY SET FORTH IN THE DEED OF CONVEYANCE.

14. REPRESENTATIONS AND WARRANTIES OF PURCHASER. Purchaser hereby represents and warrants to Seller as follows:

14.1 ORGANIZATION. Purchaser is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Florida.

14.2 AUTHORITY. Purchaser has the right, power and authority to enter into this Agreement and to purchase from Seller the Subject Property and perform its obligations under the terms of this Agreement. All action necessary for the execution, delivery and performance of this Agreement by Purchaser has been taken and this Agreement is legally binding upon Purchaser.

14.3 BROKERAGE OR FINDER’S FEES. Neither Purchaser nor any of Purchaser’s officers, agents, employees or stockholders has employed any brokers, finders or other intermediaries, or incurred any liability for any brokerage fees, finder’s fees, commissions or other amounts, with respect to the transaction contemplated by this Agreement, which liabilities can be asserted against Seller or the Subject Property, or require payment by Seller, except as set forth below:

15. DISCLAIMER BY PURCHASER OF WARRANTIES OF SELLER. PURCHASER ACKNOWLEDGES THAT (I) IT AND ITS OFFICERS, AGENTS, EMPLOYEES, AND ADVISORS HAVE BEEN GIVEN FULL AND COMPLETE OPPORTUNITY TO EXAMINE THE SUBJECT PROPERTY AND RECORDS AND OTHER INFORMATION WITH RESPECT TO THE SUBJECT PROPERTY PRIOR TO ENTERING INTO THIS AGREEMENT AND SUCH PARTIES HAVE FULLY AVAILED THEMSELVES OF SUCH OPPORTUNITY TO THE EXTENT THAT THEY IN THEIR SOLE JUDGMENT DEEMED APPROPRIATE, DESIRABLE AND PRUDENT, (II) PURCHASER AND SUCH PARTIES TAKE FULL RESPONSIBILITY FOR DETERMINING THE SCOPE OF THEIR INVESTIGATIONS OF THE SUBJECT PROPERTY AND FOR THE MANNER IN WHICH SUCH INVESTIGATIONS HAVE BEEN CONDUCTED, (III) PURCHASER, TOGETHER
WITH SUCH OTHER PARTIES, ARE FULLY CAPABLE OF EVALUATING THE ACCURACY OF THE INFORMATION AND MATERIAL OBTAINED BY PURCHASER IN THE COURSE OF SUCH INVESTIGATION, AND (IV) PURCHASER AND SUCH PARTIES HAVE NOT RELIED ON SELLER OR ON ANY OFFICER, EMPLOYEE OR AGENT OF SELLER OR UPON ANY WRITTEN OR ORAL INFORMATION, REPRESENTATION OR FACT PROVIDED BY ANY SUCH PARTY WITH RESPECT TO ANY MATTER IN CONNECTION WITH PURCHASER’S EVALUATION OF THE SUBJECT PROPERTY, INCLUDING, BUT NOT LIMITED TO THE PHYSICAL CONDITION THEREOF. ACCORDINGLY, PURCHASER AGREES TO PURCHASE THE SUBJECT PROPERTY “AS IS” AND “WHERE IS”, WITHOUT ANY WARRANTY WHATSOEVER EXPRESS OR IMPLIED FROM SELLER TO PURCHASER.

16. CONFIDENTIALITY OF INFORMATION PROVIDED BY SELLER. Purchaser acknowledges that all non-public information of Seller, including but not limited to any financial and customer information, this Agreement and all terms hereof, all drafts of this Agreement and all terms thereof, and all documents delivered pursuant to this Agreement, is secret and confidential proprietary information and as such will continue to constitute a valuable, unique asset of Seller. Purchaser covenants that it will not either use or disclose any such information to any person, firm, corporation, association or other entity for any reason or purpose whatsoever, unless (a) such disclosure is to its accountants, lawyers, and other advisors in connection with the transactions contemplated by this Agreement and the recipient of such information has agreed to be bound by this Paragraph 16, or (b) such information is otherwise publicly available, or (c) such disclosure is required by law, or (d) Purchaser receives Seller’s prior written consent to disclose such information. In the event this Agreement is terminated, Purchaser and its representative shall continue to keep such information confidential, except as specified in clauses (b), (c) and (d) above.

17. PURCHASER’S INDEMNITY. Purchaser shall hold harmless, indemnify and defend Seller (such defense shall be required only upon the tendering of such indemnifiable claim to the Purchaser) from and against any and all loss, claim damage, liability or expense which Seller may incur by reason of Purchaser’s breach of or failure to perform any of its covenants, representations or warranties in this Agreement or in any schedule, certificate, exhibit, or other instrument furnished or to be furnished under this Agreement.

18. CONDITIONS PRECEDENT TO SELLER’S OBLIGATIONS. All obligations of Seller under this Agreement are subject to the fulfillment, on or prior to Closing, of each of the following conditions:

18.1 PERFORMANCE OF OBLIGATIONS. All the terms, conditions, covenants and obligations of this Agreement to be complied with and performed by Purchaser on or before Closing shall have been complied with and performed in all material respects.
18.2 REPRESENTATIONS AND WARRANTIES TRUE AT CLOSING. The representations and warranties made by Purchaser herein shall be correct in all material respects on and as of Closing, with the same force and effect as though such representations and warranties had been made on and as of Closing, and by consummation of the transactions contemplated by this Agreement, Purchaser shall be deemed to affirm that the representations and warranties made by Purchaser herein are correct in all material respects on and as of Closing, with the same force and effect as though such representations and warranties had been made on and as of Closing.

18.3 NO INJUNCTION. No injunction, temporary restraining order or other administrative or judicial order shall have been issued enjoining or restraining the transactions contemplated hereby in whole or in part.

19. CONDITIONS PRECEDENT TO PURCHASER’S OBLIGATIONS. All obligations of Purchaser under this Agreement are subject to the fulfillment, on or prior to the Closing Date, of each of the following conditions:

19.1 PERFORMANCE OF OBLIGATIONS. All the terms, conditions, covenants and obligations of this Agreement to be complied with and performed by Seller on or before the Closing Date shall have been complied with and performed in all material respects.

19.2 REPRESENTATIONS AND WARRANTIES TRUE AT CLOSING. The representations and warranties made by Seller herein shall be correct in all material respects on and as of Closing, with the same force and effect as though such representations and warranties had been made on and as of Closing, and by consummation of the transactions contemplated by this Agreement, Seller shall be deemed to affirm that the representations and warranties made by Seller herein are correct in all material respects as though such representations and warranties had been made on and as of Closing.

19.3 NO INJUNCTION. No injunction, temporary restraining order or other administrative or judicial order shall have been issued enjoining or restraining the transactions contemplated hereby in whole or in part.

20. SURVIVAL OF REPRESENTATIONS AND WARRANTIES. All covenants, other representations and warranties made by Seller or Purchaser contained in this Agreement shall terminate at Closing other than Section 13.3 and Section 21.21.

21. MISCELLANEOUS PROVISIONS.
21.1 FURTHER ASSURANCES. Each of the parties hereto agrees to execute such further documents and to take such further actions as may be reasonably necessary in order to effect consummation of the transactions contemplated hereby.

21.2 CONTINGENCIES. The obligation to give effect to Closing shall be contingent upon the following:

(a) Purchaser may, at Purchaser’s sole cost and expense, obtain a Phase I environmental audit of the Subject Property (the “Audit”). If the Audit discloses that the Subject Property has been used for the handling, treatment, storage or disposal of any hazardous or toxic substances as defined under any applicable state or federal laws or regulations (“Contamination”), on or before August 5, 2019, time being of the essence, Purchaser will so notify Seller in writing. The failure of Purchaser to give such notice to Seller on or before August 5, 2019 shall constitute an irrevocable waiver of this contingency and the parties shall proceed to Closing. Upon receipt of a timely notice that the Audit discloses Contamination, Seller will undertake such steps as Seller, acting in good faith, deems reasonable under the circumstances to cause such Contamination to be remedied, it being understood that Seller shall have no obligation whatsoever to expend any sum or undertake any actual or potential liability in excess of $500 in connection therewith. If at Closing, any Contamination has not been remedied despite Seller’s good faith efforts as aforesaid, then Purchaser shall have the option to either (a) terminate this Agreement forthwith (in which event the Escrow Deposit shall be repaid to Purchaser), or (b) accept title to the Subject Property subject to the Contamination without any change in Purchase Price.

(b) Purchaser will, at Purchaser’s sole cost and expense, conduct a review of the zoning and building laws, ordinances and regulations and any other matters that Purchaser may want to review which affect the Subject Property to determine if the Purchaser’s intended use of the property is permitted (the “Property Review”). If the Property Review reveals that the Subject Property can not be used for Purchaser’s intended use or any other reason that Purchaser determines in its sole discretion, then on or before August 5, 2019 (the “Due Diligence Period”), time being of the essence, Purchaser will so notify Seller in writing at which time the Escrow Deposit shall be returned to Purchaser and neither party shall have any further obligation or liability hereunder. The failure of Purchaser to give such notice to Seller on or before August 5, 2019 shall constitute an irrevocable waiver of this contingency and the parties shall proceed to Closing.

(c) Purchaser may, at Purchaser’s sole cost and expense, make application with a lending institution for the purpose of financing of this sale with terms acceptable to Purchaser. If Purchaser cannot obtain financing with terms acceptable to Purchaser, on or before August 5, 2019, time being of the essence, Purchaser will so notify Seller in writing. The failure of Purchaser to give such notice to Seller on or before August 5, 2019 shall constitute an irrevocable waiver of this contingency and the parties shall proceed to Closing. Upon receipt of
a timely notice that Purchaser cannot obtain financing as aforesaid, then this Agreement shall terminate and Escrow Agent shall return the Escrow Deposit to Purchaser.

(d) Purchaser and Seller will negotiate in good faith an easement, license, or similar instrument, mutually agreeable to each, and execute the same prior to Closing, in order to grant access to the Subject Property to the Purchaser, including granting non-possessory interests over property owned by the Seller other than the Subject Property.

(e) Purchaser may extend the Due Diligence Period for one (1) additional ninety (90) day period ("Extension Period") by: (a) providing Seller written notice of the intent to extend on or before August 5, 2019, and (b) payment of Forty Thousand Dollars ($40,000.00) extension fee which shall be non-refundable but applicable to Purchase Price. The Extension Fee shall be deposited with Escrow Agent.

(f) Seller authorizes Purchaser and its engineer and/or other experts, at Purchaser’s expense, to go upon the Property, at any reasonable time upon forty-eight (48) hours written notice for the purpose of making inspections. Such inspections shall be performed to cause no damage to the Property or improvements thereon, and Purchaser shall repair any damage to the Property or improvements caused by Purchaser’s or its agent’s entry. Purchaser agrees to defend and hold Seller and the Property harmless from all claims and liabilities (including reasonable attorney’s fees, costs and expenses) for personal injury, physical damage to any person or the Property, or mechanic’s or materialmen’s liens which may be asserted against the Property solely as a result of any such entry by Purchaser, its agents or designees.

(g) Notwithstanding anything to the contrary herein, in the event that Purchaser pursues Multifamily Direct Loan Funds, Purchaser shall have no obligation to purchase the Subject Property, and no transfer of title to the Purchaser may occur, unless and until TDHCA has provided Purchaser written notification that: (1) it has completed a federally required environmental review and its request for release of federal funds has been approved, and, subject to any other contingencies in favor of Purchaser herein, (a) the Closing may proceed, or (b) the Closing may proceed only if certain conditions to address issues in the environmental review are satisfied before or after the Closing Date; or (2) it has determined that the purchase is exempt from federal environmental review and a request for release of funds is not required.

21.3 DEFAULT.

(a) By Purchaser. In the event of a default under this Agreement by Purchaser, Seller may terminate this Agreement by written notice to Purchaser and, in addition, at Seller’s option, elect to: (i) accept payment of the Escrow Deposit as liquidated damages, in which event Seller shall waive all claims for loss of bargain, and for all direct, out-of-pocket costs and expenses incurred by Seller, including, but not limited to attorney’s fees, or (ii) seek relief in an action for specific performance; provided, however, that an election by Seller
to pursue one or the other of the foregoing remedies shall not preclude Seller from pursuing the other remedy until full satisfaction shall have been received on the remedy pursued.

(b) By Seller. In the event of a default under this Agreement by Seller, Purchaser may terminate this Agreement by written notice to Seller and, in addition, at Purchaser's option, elect to: (i) waive any claim for loss of bargain, in which event all monies paid on account, including, but not limited to, the Escrow Deposit, shall be repaid to Purchaser and in addition, Seller shall pay to Purchaser an amount equal to all of Purchaser’s reasonable direct out-of-pocket costs and expenses arising out of the transactions contemplated by this Agreement including, but not limited to, title examination and attorney’s fees (in a total amount not exceeding $1,000), or (ii) seek relief in an action for specific performance; provided, however, that an election by Purchaser to pursue one or the other of the foregoing remedies shall not preclude Purchaser from pursuing the other remedy until full satisfaction shall have been received on the remedy pursued.

21.4 ASSIGNMENT. Purchaser may not assign this Agreement or any of its rights, interests or obligations hereunder without the express prior written consent of Seller; provided that Purchaser may assign the contract without the prior consent of the Seller to an entity to be formed after the date hereof as long as Purchaser continues to be obligated hereunder and the appropriate representations and warranties are incorporated into the assignment. Any assignment by Purchaser which is consented to by Seller shall not relieve Purchaser of any further liability under this Agreement even though the assignee assumes all of Purchaser’s obligations hereunder. Any attempted assignment which fails to comply with this Paragraph 21.4 shall be void.

21.5 APPLICABLE LAW. This Agreement shall be interpreted, construed and enforced in accordance with the internal laws of the State of Texas.

21.6 NOTICE. All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given or made when (i) delivered by hand, or (ii) five (5) business days after deposit in the United States Mail, certified or registered, postage pre-paid, return receipt requested, or (iii) the business day immediately following timely deposit with a nationally recognized overnight courier service (which shall include Federal Express) to the parties at the following addresses:

If to Purchaser, to:
KCG Development, LLC
9333 N. Meridian Street, Suite 230
Indianapolis, IN 46260
Attention: Ina Spokes
Telephone: (512) 689-3343
Email: ina.spokes@kcgcompanies.com
Email: rj.pasquesi@kcgcompanies.com

With a copy, to:

Kathleen Balderrama, Esq.
21600 Oxnard Street, Suite 1200
Woodland Hills, California 91367
Katie.balderrama@alliantcapital.com

If to Seller, to:

84SLB1, LLC
1019 Route 519, Building 4
Eighty Four, PA 15330
Attn: Bethany L. Cypher
Telephone: (724) 228-8820 Ext. 2096
Fax: (866) 269-8432
bethany.cypher@84lumber.biz

By notice complying with the requirements of this Paragraph 21.6, each party shall have the right to change the address for all future notices, or other communications and payments to such party; provided, however, that the designation of a change of addressee or address, or both, by notice given hereunder shall not be effective until actually received. Any addressee designated above to whom copies of notices are designated to be sent shall be provided copies of notices for informational purposes only, any such copies may be sent via regular mail and a failure to give or to receive copies of notices shall not affect the validity of notice given to the parties or otherwise be construed as a failure to give notice.

21.7 AMENDMENT AND WAIVER. No term or provision of this Agreement may be altered, amended, changed, waived, terminated or modified in any respect or particular except by written instrument signed by or on behalf of the party to be charged therewith. No waiver by either party of any breach hereunder shall be deemed a waiver of any other or any subsequent breach.
21.8 SUCCESSORS AND ASSIGNS. All covenants, representations, warranties and agreements of the parties contained herein shall be binding upon and inure to the benefit of its respective successors and permitted assigns.

21.9 ENTIRE AND SOLE AGREEMENT. This Agreement and the schedules hereto constitute the entire agreement between the parties and supersede all prior agreements, representations, warranties, statements, promises and understandings, whether written or oral, with respect to the subject matter hereof and thereof. Neither party hereto shall be bound by or charged with any written or oral agreements, representations, warranties, statements, promises or understandings not specifically set forth in this Agreement or in the exhibits hereto, or in the documents and instruments to be delivered on or before Closing.

21.10 SEVERABILITY. Whenever possible, each provision of this Agreement and any other statement, instrument or transaction contemplated hereby or relating hereto shall be interpreted in such manner as to be effective and valid under such applicable law, but, if any provision of this Agreement or any other statement, instrument or transaction contemplated hereby or relating hereto shall be held to be prohibited or invalid under such applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement or any other statement, instrument or transaction contemplated hereby or relating hereto.

21.11 COUNTERPARTS; CAPTIONS. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. All paragraph headings and other captions used in this Agreement and the table of contents are for convenience only, are not a part of this Agreement and shall not be used in construing it.

21.12 PUBLIC ANNOUNCEMENTS. Neither party shall make any public announcement or public filing with respect to this Agreement or the transactions contemplated hereby without first obtaining the approval of the other party of the text and substance thereof, which approval shall not be unreasonably withheld.

21.13 EXPENSES. Except as otherwise expressly set forth herein, each party shall pay and be solely responsible for the expenses incurred by it under this Agreement or in connection herewith, including counsel fees and expenses of its representatives, whether or not the transactions contemplated by this Agreement are consummated.

21.14 CASUALTY OR CONDEMNATION. If, prior to Closing, all or a material part of the Subject Property is destroyed or is subject to condemnation, Seller shall so notify Purchaser and either party shall have the right to terminate this Agreement. If the Agreement is not so terminated, there will be no adjustment in the Purchase Price provided for
herein; however, at Closing, Seller shall assign to Purchaser any insurance or condemnation proceeds to which Seller may be entitled in connection with such casualty or condemnation.

21.15 TIME. Time is of the essence in this Agreement and of each and every provision contained in this Agreement. If the date for performance of either Purchaser's or Seller's obligations under this Agreement falls on a Saturday, Sunday or a legal holiday, the time for performance shall be extended to the next succeeding business day.

21.16 TAX DEFERRED EXCHANGE PURSUANT TO SECTION 1031 OF INTERNAL REVENUE CODE. It is understood and agreed that, at Seller's option and provided Purchaser incurs no delay or additional cost or expense, the Closing may be effectuated as a tax-free exchange or tax free deferred exchange (pursuant to Section 1031 of the Internal Revenue Code) ("IRC")), and Purchaser agrees to cooperate in any exchange. Both parties acknowledge that it is Seller's sole responsibility to designate and to provide any exchange property that may become a part of any exchange. Seller shall be responsible for any and all costs of the tax free exchange pursuant to Section 1031 of the IRC and Purchaser shall have no responsibility or obligation for any costs associated with the tax free exchange.

21.17 TAX WITHHOLDING. Under the Foreign Investment in Real Property Tax Act (FIRPTA), IRC §1445, every buyer of U.S. real property must, unless, an exemption applies, deduct and withhold from seller’s proceeds 10% of the gross sales price. The primary FIRPTA exemptions for non-residential property are: No withholding is required if (i) Seller provides Purchaser with an affidavit, under penalty of perjury, that Seller is not a “foreign person”, or (ii) Seller provide Purchaser with a “qualifying statement” issued by the Internal Revenue Service.

21.18 TAX ABATEMENT Should Seller contest the taxes assessed on the Subject Property, any tax abatement and/or refund received for a period up to the Closing Date as part of such action whether payment and/or refund is received prior to or after Closing shall be the property of Seller.

21.19. REVOCABILITY. It is understood that the Seller is negotiating an agreement with other potential Purchasers. This Agreement shall not be binding upon the parties until fully executed by both parties and the earnest money deposited in accordance with this Agreement.

21.20. RESTRICTIVE COVENANT. Purchaser represents and warrants to Seller that neither Purchaser nor any corporation, partnership or trust controlled by Purchaser, nor their respective heirs, representatives, successors, assigns and tenants shall use the Property for the operation of a retail lumber, building supply business and/or a truss plant facility for a period of twenty (20) years after the date hereof. At Closing, Purchaser agrees to execute, deliver and record the Declaration of Restrictive Covenant in the form attached as Exhibit C.
21.21 MATERIAL SUPPLY AGREEMENT.

A. For the purposes of this paragraph, the term "Buyers" shall mean any contractor, subcontractor or materialman who or which performs construction work on or about the Property for, on behalf of, or under the direction of (i) Purchaser or (ii) any entity to which Purchaser assigns Purchaser’s rights to development all or any portion of the Property (a “Successor Developer”) or (iii) any entity which controls, is controlled by, or is under common control with Purchaser or any Successor Developer (an “Affiliate”).

B. Each of the Buyers will provide 84 Lumber Company an opportunity to bid and offer for purchase all building material supplies including but limited to lumber and wood and other products capable of being provided by 84 Lumber Company which are required in the construction of improvements on the Property.

C. If Purchaser elects to hire a General Contractor to perform any renovations on the Property, Purchaser shall provide the opportunity for 84 Lumber Company to bid such services.

D. In addition to Seller, 84 Lumber Company is an intended third-party beneficiary of this Paragraph 21.21 and all corresponding subparagraphs. Purchaser acknowledges that the provisions of this Paragraph 21.21 and all corresponding subparagraphs constituted a material and essential term of this Agreement for Seller and that Seller was not willing to enter into this Agreement unless this Paragraph 21.21 and all corresponding subparagraphs were made a part hereof. Purchaser acknowledges that an adequate remedy at law does not exist with respect to a breach of the Paragraph 21.21 and all corresponding subparagraphs. In the event that Purchaser, a Successor Developer or an Affiliate breaches the obligations set forth in this Paragraph 21.21 and all corresponding subparagraphs, 84SLB1, LLC and 84 Lumber Company will be entitled to exercise the remedy of specific performance, as well as any and all other remedies at law or in equity which may be available to 84SLB1, LLC and/or 84 Lumber Company by reason thereof.

E. This Paragraph 21.21 will survive Closing under this Agreement.

IN WITNESS WHEREOF, the parties have duly executed this Agreement on the day and year first above written.

SELLER:
84SLB1, LLC

By: [Signature]
Name: Paul J. Kent
Its: Assistant Vice President

PURCHASER:

KCG Development, LLC

By: [Signature]
Name: R.J. Pasquesi
Its: President
JOINER

AND, NOW, this ___ day of __________, 201__, Fidelity National Title Insurance Company joins in this Real Estate Sale Agreement with Joint Escrow Instructions for the purposes stated in Paragraph 4, agreeing to act as Escrow Agent as therein provided.

ATTEST: 

ESCROW AGENT: Fidelity National Title Insurance Company

_________________________________ 
Secretary

By: ________________________________

Title: ______________________________
Exhibit A

Tract 1

A TRACT OF LAND CONTAINING 10.8120 ACRES (470,970 SQUARE FEET) OF LAND BEING OUT OF BLOCK 1, RESTRICTED RESERVE "A" OF THE GALVESTON 84 LUMBER SUBDIVISION RECORDED AS FILM CODE 677811 IN THE MAP RECORDS OF HARRIS COUNTY DEED RECORDS (H.C.M.R.), SITUATED IN THE LUKE HEMENWAY SURVEY, HARRIS COUNTY, TEXAS, SAID 10.8120 ACRES TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS.


THENCE NORTH 41 DEGREES 14 MINUTES 50 SECONDS WEST, ALONG THE NORTHEASTERLY RIGHT-OF-WAY LINE OF SAID UNION PACIFIC RAILROAD, A DISTANCE OF 653.39 FEET TO A 5/8 INCH CAPPED IRON ROD WITH A TRI-TECH CAP FOR THE SOUTHWESTERLY CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE NORTH 03 DEGREES 16 MINUTES 41 SECONDS WEST, A DISTANCE OF 1021.19 FEET TO A FOUND 5/8 INCH CAPPED IRON ROD AT THE SOUTHEAST CORNER OF A CALLED 5.076 ACRE TRACT DESCRIBED TO DORSEY BROTHERS CONCRETE IN DEED NO. 20070658621 (H.C.M.R.), SAME POINT BEING THE NORTHWESTERLY CORNER OF HEREIN DESCRIBED TRACT;

THENCE NORTH 86 DEGREES 16 MINUTES 23 SECONDS EAST, ALONG THE SOUTH LINE OF SAID CALLED 5.076 ACRE TRACT AND THE NORTH LINE OF SAID RESTRICTED RESERVE "A", A DISTANCE OF 274.30 FEET TO A FOUND 5/8 INCH IRON ROD MARKING THE NORTHWESTERLY CORNER OF A CALLED 0.7704 ACRE TRACT DEDICATED TO THE PUBLIC FOR RIGHT-OF-WAY PURPOSES PER PLAT RECORDED AS FILM CODE 677811 (H.C.M.R.), SAID POINT BEING THE NORTHEASTERLY CORNER OF HEREIN DESCRIBED TRACT;

THENCE ALONG THE WESTERLY LINE OF CALLED 0.7704 TRACT DEDICATED FOR RIGHT-OF-WAY PURPOSES FOR THE NEXT THREE (3) CALLS:

1) SOUTH 03 DEGREES 16 MINUTES 41 SECONDS EAST, A DISTANCE OF 152.95 FEET TO A FOUND 5/8 INCH CAPPED IRON ROD WITH A TRI-TECH CAP AND THE BEGINNING OF A CURVE TO THE EAST;

2) 253.27 FEET ALONG SAID CURVE TO THE EAST WITH A RADIUS OF 350.00 FEET, AND A CHORD DISTANCE AND BEARING OF SOUTH 24 DEGREES 00 MINUTES 29 SECONDS EAST, 247.78 FEET TO A FOUND 5/8 INCH CAPPED IRON ROD WITH A TRI-TECH CAP;

3) SOUTH 44 DEGREES 44 MINUTES 18 SECONDS EAST, A DISTANCE OF 60.41 FEET TO A FOUND 5/8 INCH CAPPED IRON ROD WITH A TRI-TECH CAP ON THE EAST LINE OF SAID 67.845 ACRE TRACT COMMON WITH THE EAST LINE OF SAID RESTRICTED RESERVE "A", SAID POINT BEING THE NORTHEAST CORNER OF HEREIN DESCRIBED TRACT;

THENCE SOUTH 03 DEGREES 16 MINUTES 41 SECONDS EAST ALONG SAID EAST LINE OF CALLED 67.845 ACRE TRACT, COMMON WITH THE EAST LINE OF SAID RESTRICTED RESERVE "A", A DISTANCE F 1108.48 FEET TO THE POINT OF BEGINNING, CONTAINING 10.8120 ACRES (470,970 SQUARE FEET).
Tract 2

RESTRICTED RESERVE “B” BEING CALLED 0.2328 ACRES (10,140 SF) OF THE GALVESTON 84 LUMBER SUBDIVISION RECORDED AS FILM CODE NO. 677811 IN THE MAP RECORDS OF HARRIS COUNTY, TEXAS.
OWNER’S POLICY OF TITLE INSURANCE
ISSUED BY

STEWART TITLE GUARANTY COMPANY

Any notice of claim and any other notice or statement in writing required to be given the Company under this Policy must be given to the Company at the address shown in Section 18 of the Conditions.

COVERED RISKS

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B AND THE CONDITIONS, STEWART TITLE GUARANTY COMPANY, a Texas corporation (the "Company") insures, as of Date of Policy and, to the extent stated in Covered Risks 9 and 10, after Date of Policy, against loss or damage, not exceeding the Amount of Insurance, sustained or incurred by the Insured by reason of:

1. Title being vested other than as stated in Schedule A.
2. Any defect in or lien or encumbrance on the Title. This Covered Risk includes but is not limited to insurance against loss from:
   (a) A defect in the Title caused by:
      (i) forgery, fraud, undue influence, duress, incompetency, incapacity or impersonation;
      (ii) failure of any person or Entity to have authorized a transfer or conveyance;
      (iii) a document affecting Title not properly created, executed, witnessed, sealed, acknowledged, notarized or delivered;
      (iv) failure to perform those acts necessary to create a document by electronic means authorized by law;
      (v) a document executed under a falsified, expired or otherwise invalid power of attorney;
      (vi) a document not properly filed, recorded or indexed in the Public Records including failure to perform those acts by electronic means authorized by law; or
      (vii) a defective judicial or administrative proceeding.
   (b) The lien of real estate taxes or assessments imposed on the Title by a governmental authority due or payable, but unpaid.
   (c) Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land. The term “encroachment” includes encroachments of existing improvements located on the Land onto adjoining land, and encroachments onto the Land of existing improvements located on adjoining land.
   (d) Any statutory or constitutional mechanic’s, contractor’s, or materialman’s lien for labor or materials having its inception on or before Date of Policy.
3. Lack of good and indefeasible Title.
4. No right of access to and from the Land.

Covered Risks continued on next page.

IN WITNESS WHEREOF, Stewart Title Guaranty Company has caused this policy to be signed and sealed by its duly authorized officers as of Date of Policy shown in Schedule A.

Countersigned by:

[Signature]

American Title Company of Houston
Company
Houston, TX
City, State

[Signature]

Matt Morris
President and CEO

[Signature]

Denise Correaux
Secretary

Policy Serial No. O-5966-000006388
COVERED RISKS (continued)

5. The violation or enforcement of any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting or relating to:
   (a) the occupancy, use or enjoyment of the Land;
   (b) the character, dimensions or location of any improvement erected on the Land;
   (c) subdivision of land; or
   (d) environmental protection

   if a notice, describing any part of the Land, is recorded in the Public Records setting forth the violation or intention to enforce, but only to the extent of the violation or enforcement referred to in that notice.

6. An enforcement action based on the exercise of a governmental police power not covered by Covered Risk 5 if a notice of the enforcement action, describing any part of the Land, is recorded in the Public Records, but only to the extent of the enforcement referred to in that notice.

7. The exercise of the rights of eminent domain if a notice of the exercise, describing any part of the Land, is recorded in the Public Records.

8. Any taking by a governmental body that has occurred and is binding on the rights of a purchaser for value without Knowledge.

9. Title being vested other than as stated in Schedule A or being defective:
   (a) as a result of the avoidance in whole or in part, or from a court order providing an alternative remedy, of a transfer of all or any part of the title to or any interest in the Land occurring prior to the transaction vesting title as shown in Schedule A because that prior transfer constituted a fraudulent or preferential transfer under federal bankruptcy, state insolvency or similar creditors' rights laws; or
   (b) because the instrument of transfer vesting title as shown in Schedule A constitutes a preferential transfer under federal bankruptcy, state insolvency or similar creditors' rights laws by reason of the failure of its recording in the Public Records:
      (i) to be timely, or
      (ii) to impart notice of its existence to a purchaser for value or a judgment or lien creditor.

10. Any defect in or lien or encumbrance on the Title or other matter included in Covered Risks 1 through 9 that has been created or attached or has been filed or recorded in the Public Records subsequent to Date of Policy and prior to the recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

   The Company will also pay the costs, attorneys' fees and expenses incurred in defense of any matter insured against by this Policy, but only to the extent provided in the Conditions.

EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting or relating to:
      (i) the occupancy, use, or enjoyment of the Land;
      (ii) the character, dimensions or location of any improvement erected on the Land;
      (iii) subdivision of land; or
      (iv) environmental protection;

      or the effect of any violation of these laws, ordinances or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
   (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.

2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.

3. Defects, liens, encumbrances, adverse claims or other matters:
   (a) created, suffered, assumed or agreed to by the Insured Claimant;
   (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
   (c) resulting in no loss or damage to the Insured Claimant;
   (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
   (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.

4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is:
   (a) a fraudulent conveyance or fraudulent transfer; or
   (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.

5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

6. The refusal of any person to purchase, lease or lend money on the estate or interest covered hereby in the land described in Schedule A because of Unmarketable Title.

CONDITIONS

1. DEFINITION OF TERMS.

The following terms when used in this policy mean:
(a) "Amount of Insurance": the amount stated in Schedule A, as it may be increased or decreased by endorsement to this policy, increased by Section 8(b), or decreased by Sections 10 and 11 of these Conditions.
(b) "Date of Policy": The date designated as "Date of Policy" in Schedule A.
(c) "Entity": A corporation, partnership, trust, limited liability company or other similar legal entity.
(d) "Insured": the Insured named in Schedule A.
(l) The term "Insured" also includes:
(A) successors to the Title of the Insured by operation of law as distinguished from purchase, including heirs, devisees, survivors, personal representatives or next of kin;
(B) successors to an Insured by dissolution, merger, consolidation, distribution or reorganization;
(C) successors to an Insured by its conversion to another kind of Entity;
(D) a grantee of an Insured under a deed delivered without payment of actual valuable consideration conveying the Title;
(1) If the stock, shares, memberships, or other equity interests of the grantee are wholly-owned by the named Insured;
(2) If the grantee wholly owns the named Insured;
(3) If the grantor is wholly-owned by an affiliated Entity of the named Insured, provided the affiliated Entity and the named Insured are both wholly-owned by the same person or Entity, or
(4) If the grantee is a trustee or beneficiary of a trust created by a written instrument established by the Insured named in Schedule A for estate planning purposes.

(ii) With regard to (A), (B), (C) and (D) reserves, however, all rights and defenses as to any successor that the Company would have had against any predecessor Insured.

(e) "Insured Claimant": an Insured claiming loss or damage.
(f) "Knowledge" or "Known": actual knowledge, not constructive knowledge or notice that may be imputed to an Insured by reason of the Public Records or any other records that impart constructive notice of matters affecting the Title.
(g) "Land": the land described in Schedule A, and any improvements that by law constitute real property. The term "Land" does not include any property beyond the lines of the area described in Schedule A, nor any right, title, interest, estate or easement in abutting streets, roads, avenues, alleys, lanes, ways or waterways, but this does not modify or limit the extent that a right of access to and from the Land is insured by this policy.
(h) "Mortgage": mortgage, deed of trust, deed, or other security instrument, including one evidenced by electronic means authorized by law.
(i) "Public Records": records established under state statutes at Date of Policy for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without Knowledge. With respect to Covered Risk 5(a), "Public Records" shall also include environmental protection items filed in the records of the clerk of the United States District Court for the district where the Land is located.

(j) "Title": the estate or interest described in Schedule A.
(k) "Unmarketable Title": Title affected by an alleged or apparent matter that would permit a prospective purchaser or lessee of the Title or lender on the Title to be released from the obligation to purchase, lease or lend if there is a contractual condition requiring the delivery of marketable title.

2. CONTINUATION OF INSURANCE.

The coverage of this policy shall continue in force as of Date of Policy in favor of an Insured, but only so long as the Insured retains an estate or interest in the Land, or holds an obligation secured by a purchase money Mortgage given by a purchaser from the Insured, or only so long as the Insured shall have liability by reason of warranties in any transfer or conveyance of the Title. This policy shall not continue in force in favor of any purchaser from the Insured of either (i) an estate or interest in the Land, or (ii) an obligation secured by a purchase money Mortgage given to the Insured.

3. NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT.

The Insured shall notify the Company promptly in writing (i) in case of any litigation as set forth in Section 9(a) below, or (ii) in case Knowledge shall come to an Insured hereafter of any claim of title or interest that is adverse to the Title, as insured, and that might cause loss or damage for which the Company may be liable by virtue of this policy. If the Company is prejudiced by the failure of the Insured Claimant to provide prompt notice, the Company's liability to the Insured Claimant under the policy shall be reduced to the extent of the prejudice. When, after the Date of the Policy, the Insured notifies the Company as required herein of a lien, encumbrance, adverse claim or other defect in Title insured by this policy that is not excluded or excepted from the coverage of this policy, the Company shall promptly investigate the charge to determine whether the lien, encumbrance, adverse claim or other matter is valid and not barred by law or statute. The Company shall notify the Insured in writing, within a reasonable time, of its determination as to the validity or invalidity of the Insured's claim or charge under the policy. If the Company concludes that the lien, encumbrance, adverse claim or other defect is not covered by this policy, or if the Company is prejudiced by the failure of the Insured to advise the Company of the closing of the transaction in connection with which this policy was issued, the Company shall specifically advise the Insured of the reasons for its determination, if the Company concludes that the lien, encumbrance, adverse claim or defect is valid, the Company shall take one of the following actions: (i) institute the necessary proceedings to clear the lien, encumbrance, adverse claim or defect from the Title as insured; (ii) indemnify the Insured as provided in this policy; (iii) upon payment of appropriate premium and changes therefore, issue to the Insured Claimant or to a subsequent owner, mortgagee or holder of the estate or interest in the Land insured by this policy, a policy of title insurance without exception for the lien, encumbrance, adverse claim or defect, said policy to be in an amount equal to the current value of the Land or, if a loan policy, the amount of the loan; (iv) indemnify another title insurance company in connection with its issuance of a policy(ies) of title insurance without exception for the lien, encumbrance, adverse claim or defect; (v) secure a release or other document discharging the lien, encumbrance, adverse claim or defect; or (vi) undertake a combination of (i) through (v) herein.

4. PROOF OF LOSS.

In the event the Company is unable to determine the amount of loss or damage, the Company may, at its option, require as a condition of payment that the insured Claimant furnish a verified proof of loss. The proof of loss must describe the defect, lien, encumbrance or other matter insured against by this policy that constitutes the basis of loss or damage and shall state, to the extent possible, the basis of calculating the amount of the loss or damage.

5. DEFENSE AND PROSECUTION OF ACTIONS.

(a) Upon written request by the Insured, and subject to the options contained in Sections 3 and 7 of these Conditions, the Company, at its own cost and without unreasonable delay, shall provide for the defense of an Insured in litigation in which any third party asserts a claim covered by this policy adverse to the Insured. This obligation is limited to only those stated causes of action alleging matters insured against by this policy. The Company shall have the right to select counsel of its choice (subject to the right of the Insured to object for reasonable cause) to represent the Insured as to those stated causes of action, it shall not be liable for and will not pay the fees of any other counsel. The Company will not pay any fees, costs or expenses incurred by the Insured in defense of those causes of action that allege matters not insured against by this policy.
(b) The Company shall have the right, in addition to the options contained in Sections 3 and 7, at its own cost, to institute and prosecute any action or proceeding or to do any other act that in its opinion may be necessary or desirable to establish the Title, as insured, or to prevent or reduce loss or damage to the Insured. The Company may take any appropriate action under the terms of this policy, whether or not it shall be liable to the Insured. The exercise of these rights shall not be an admission of liability or waiver of any provision of this policy. If the Company exercises its rights under this subsection, it must do so diligently.
(c) Whenever the Company brings an action or asserts a defense as required or permitted by this policy, the Company may pursue the litigation to final determination by a court of competent jurisdiction and it expressly reserves the right, in its sole discretion, to appeal from any adverse judgment or order.

6. DUTY OF INSURED CLAIMANT TO COOPERATE.

(a) In all cases where this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding and any appeals, the Insured shall secure to the Company the right to so prosecute or provide defense in the action or proceeding, including the right to use, at its option, the name of the Insured for this purpose. Whenever requested by the Company, the Insured, at the Company's expense, shall give the Company at all reasonable times the power and authority to institute, prosecute or defend any action or proceeding or perform any act or thing necessary to the Insured's rights under this policy. The Insured shall cooperate with the Company in the defense of any action or proceeding, and shall, to the fullest extent permitted by law and the terms of this policy, obtain, and make available to the Company all necessary information concerning the subject matter of any action or proceeding.

Form T-1 Owner's Policy of Title Insurance (Rev. 1/3/14)
prosecute, or continue any litigation, with regard to the matter or matters requiring such cooperation.

(b) The Company may reasonably require the Insured Claimant to submit to examination under oath by any authorized representative of the Company and to produce for examination, inspection and copying, at such reasonable times and places as may be designated by the authorized representative of the Company, all records, in whatever medium maintained, including books, ledgers, checks, memoranda, correspondence, reports, e-mails, disks, tapes, and videos whether bearing a date before or after Date of Policy that reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the Insured Claimant shall grant its permission, in writing, for any authorized representative of the Company to examine, inspect and copy all of those records in the custody or control of a third party that reasonably pertain to the loss or damage. All information designated as confidential by the Insured Claimant provided to the Company pursuant to this Section shall not be disclosed to others unless, in the reasonable judgment of the Company, it is necessary in the administration of the claim. Failure of the Insured Claimant to submit for examination under oath, produce any reasonably requested information or grant permission to secure reasonably necessary information from third parties as required in this subsection, unless prohibited by law or governmental regulation, shall terminate any liability of the Company under this policy as to that claim.

7. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS; TERMINATION OF LIABILITY.

In case of any claim under this policy, the Company shall have the following additional options: (a) To Pay or Tender Payment of the Amount of Insurance. (b) To pay or tender payment of the Amount of Insurance under this policy together with any costs, attorneys’ fees and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment or tender of payment and that the Company is obligated to pay.

Upon the exercise by the Company of this option, all liability and obligations of the Company to the Insured under this policy, other than to make the payment required in this subsection, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation.

(b) To Pay or Otherwise Settle With Parties Other than the Insured or With the Insured Claimant: (i) To pay or otherwise settle with other parties for or in the name of an Insured Claimant any claim insured against under this policy. In addition, the Company will pay any costs, attorneys’ fees and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay; or (ii) to pay or otherwise settle with the Insured Claimant the loss or damage provided for under this policy, together with any costs, attorneys’ fees and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay. Upon the exercise by the Company of either of the options provided for in subsections (c)(i) or (ii), the Company’s obligations to the Insured under this policy for the claimed loss or damage, other than the payments required to be made, shall terminate, including any liability or obligation to defend, prosecute or continue any litigation.

8. DETERMINATION AND EXTENT OF LIABILITY.

This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by the Insured Claimant who has suffered loss or damage by reason of matters insured against by this policy.

(a) The extent of liability of the Company for loss or damage under this policy shall not exceed the lesser of: (i) the Amount of Insurance; or (ii) the difference between the value of the Title as insured and the value of the Title subject to the risk insured against by this policy.

(b) If the Company pursues its rights under Section 3 or 5 and is unsuccessful in establishing the Title, as insured, (i) the Amount of Insurance shall be increased by 10%, and (ii) the Insured Claimant shall have the right to have the loss or damage determined either as of the date the claim was made by the insured Claimant or as of the date it is settled and paid.

(c) In addition to the extent of liability under (a) and (b), the Company will also pay those costs, attorneys’ fees and expenses incurred in accordance with Sections 5 and 7 of these Conditions.

9. LIMITATION OF LIABILITY.

(a) If the Company establishes the Title, or removes the alleged defect, lien or encumbrance, or cures the lack of a right of access to or from the Land, all as insured, or takes action in accordance with Section 3 or 7, in a reasonably diligent manner by any method, including litigation and the completion of any appeals, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused to the Insured.

(b) In the event of any litigation, including litigation by the Company or with the Company’s consent, the Company shall have no liability for loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals, adverse to the Title, as insured.

(c) The Company shall not be liable for loss or damage to the Insured for liability voluntarily assumed by the Insured in settling any claim or suit without the prior written consent of the Company.

10. REDUCTION OF INSURANCE; REDUCTION OR TERMINATION OF LIABILITY.

All payments under this policy, except payments made for costs, attorneys’ fees and expenses, shall reduce the Amount of Insurance by the amount of the payment.

11. LIABILITY NONCUMULATIVE.

The Amount of Insurance shall be reduced by any amount the Company pays under any policy insuring a Mortgage to which exception is taken in Schedule B or to which the Insured has agreed, assumed, or taken subject or which is executed by an Insured after Date of Policy and which is a charge or lien on the Title, and the amount so paid shall be deemed a payment to the Insured under this policy.

12. PAYMENT OF LOSS.

When liability and the extent of loss or damage have been definitely fixed in accordance with these Conditions, the payment shall be made within 30 days.

13. RIGHTS OF RECOVERY UPON PAYMENT OR SETTLEMENT.

(a) Whenever the Company shall have settled and paid a claim under this policy, it shall be subrogated and entitled to the rights of the Insured Claimant in the Title and all other rights and remedies in respect to the claim that the Insured Claimant has against any person or property, to the extent of the amount of any loss, costs, attorneys’ fees and expenses paid by the Company. If requested by the Company, the Insured Claimant shall execute documents to evidence the transfer to the Company of these rights and remedies. The Insured Claimant shall permit the Company to sue, compromise or settle in the name of the Insured Claimant and to use the name of the Insured Claimant in any transaction or litigation involving these rights and remedies.

If a payment on account of a claim does not fully cover the loss of the Insured Claimant, the Company shall defer the exercise of its right to recover until after the Insured Claimant shall have recovered its loss.

(b) The Company’s right of subrogation includes the rights of the Insured to indemnities, guarantees, other policies of insurance or bonds, notwithstanding any terms or conditions contained in those instruments that address subrogation rights.

14. ARBITRATION.

Either the Company or the Insured may demand that the claim or controversy shall be submitted to arbitration pursuant to the Title Insurance Arbitration Rules of the American Land Title Association ("Rules"). Except as provided in the Rules, there shall be no joinder or consolidation with claims or controversies of other persons. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the Insured arising out of or relating to this policy, any service in connection with its issuance or the breach of a policy provision, or to any other controversy or claim arising out of the transaction giving rise to this policy. All arbitrable matters when the Amount of Insurance is $2,000,000 or less shall be arbitrated at the option of either the Company or the Insured, unless the Insured is an individual person as distinguished from an Entity. All arbitrable matters when the Amount of Insurance is in excess of $2,000,000 shall be arbitrated only when agreed to by both the Company and the Insured. Arbitration pursuant to this policy, and under
the Rules shall be binding upon the parties. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court of competent jurisdiction.

15. LIABILITY LIMITED TO THIS POLICY; POLICY ENTIRE CONTRACT.
(a) The policy together with all endorsements, if any, attached to it by the Company is the entire policy and contract between the Insured and the Company. In interpreting any provision of this policy, this policy shall be construed as a whole.
(b) Any claim of loss or damage that arises out of the status of the Title or by any action asserting such claim, shall be restricted to this policy.
(c) Any amendment or endorsement to this policy must be in writing and authenticated by an authorized person, or expressly incorporated by Schedule A of this policy.
(d) Each endorsement to this policy issued at any time is made a part of this policy and is subject to all of its terms and provisions. Except as the endorsement expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsement, (iii) extend the Date of Policy or (iv) increase the Amount of Insurance. Each Commitment, endorsement or other form, or provision in the Schedules to this policy that refers to a term defined in Section 1 of the Conditions shall be deemed to refer to the term regardless of whether the term is capitalized in the Commitment, endorsement or other form, or Schedule. Each Commitment, endorsement or other form, or provision in the Schedules that refers to the Conditions and Stipulations shall be deemed to refer to the Conditions of this policy.

16. SEVERABILITY.
In the event any provision of this policy, in whole or in part, is held invalid or unenforceable under applicable law, the policy shall be deemed not to include that provision or such part held to be invalid and all other provisions shall remain in full force and effect.

17. CHOICE OF LAW; FORUM.
(a) Choice of Law: The Insured acknowledges the Company has underwritten the risks covered by this policy and determined the premium charged therefor in reliance upon the law affecting interests in real property and applicable to the interpretation, rights, remedies or enforcement of policies of title insurance of the jurisdiction where the Land is located. Therefore, the court or an arbitrator shall apply the law of the jurisdiction where the Land is located to determine the validity of claims against the Title that are adverse to the Insured, and in interpreting and enforcing the terms of this policy. In neither case shall the court or arbitrator apply its conflicts of laws principles to determine the applicable law.
(b) Choice of Forum: Any litigation or other proceeding brought by the Insured against the Company must be filed only in a state or federal court within the United States of America or its territories having appropriate jurisdiction.

18. NOTICES, WHERE SENT.
Any notice of claim and any other notice or statement in writing required to be given the Company under this Policy must be given to the Company at P.O. Box 2029, Houston, TX 77252-2029.
Stewart Title Guaranty Company

OWNER’S POLICY OF TITLE INSURANCE T-1

SCHEDULE A

Name and Address of Title Insurance Company:
Stewart Title Guaranty Company
1980 Post Oak Boulevard, Suite 1150
Houston, TX 77025

File No. 1229-14-1034
Policy No. O-5966-000006388

Address for Reference only: 0 Galveston Road, Houston, TX 77034

Amount of Insurance $2,207,484.00
Premium $13,072.05

Date of Policy June 16, 2014

1. Name of Insured:

84SLB1, LLC., a Pennsylvania Limited Liability Company

2. The estate or interest in the Land that is insured by this policy is

Fee Simple

3. Title is insured as vested in:

84SLB1, LLC., a Pennsylvania Limited Liability Company

4. The Land referred to in this policy is described as follows:

BEING A CALLED 33.784 ACRE TRACT OF LAND, MORE OR LESS, SITUATED IN THE LUKE HEMENWAY SURVEY, ABSTRACT NO. 801, HARRIS COUNTY, TEXAS, AND BEING ALL OF THAT CERTAIN 38.86 ACRE TRACT CONVEYED UNTO JAKS CLEAR LAKE, L.P., BY DEED FILED UNDER COUNTY CLERK’S FILE NO. Z110026, SAVE AND EXCEPT THAT CERTAIN 5.075 ACRE TRACT OF LAND CONVEYED UNTO DORSETT BROTHERS CONCRETE SUPPLY, INC., BY DEED FILED UNDER COUNTY CLERK’S FILE NO. 20070501845, RE-FILED UNDER COUNTY CLERK’S FILE NO. 20070588621. SAID ORIGINAL 33.784 ACRES BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:
BEING 33.784 ACRES (1,471,656 SQUARE FEET) OF LAND SITUATED IN THE LUKE HEMENWAY SURVEY, A-801, HARRIS COUNTY, TEXAS, AND BEING OUT OF A CALL 1051.12 ACRE TRACT DESIGNATED "TRACT SEVENTEEN", RECORDED IN VOLUME 1111, PAGE 77 OF THE HARRIS COUNTY DEED RECORDS (H.C.D.R.); SAID 33.784 ACRES BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS, WITH ALL Bearings REFERENCED TO THE TEXAS COORDINATE SYSTEM OF 1983, SOUTH CAROLINA ZONE, ALL DISTANCES ARE SURFACE AND MAY BE CONVERTED TO GRID BY MULTIPLYING BY A COMBINED SCALE FACTOR OF 0.999872946:


THENCE, NORTH 41 DEGREES 13 MINUTES 53 SECONDS WEST, ALONG THE NORTHEASTERLY RIGHT-OF-WAY LINE OF SAID G.H. & H. RAILROAD, A DISTANCE OF 2634.05 FEET TO A POINT FROM WHICH A ½ INCH CAPPED IRON ROD BEARS SOUTH 73 DEGREES 12 MINUTES WEST, 0.44 FEET FOR THE NORTHEASTERLY CORNER OF THE HEREIN DESCRIBED TRACT, SAME BEING THE SOUTHWESTERLY CORNER OF A CALLED 11.960 ACRE TRACT DESCRIBED IN THE DEED TO NORTH AMERICAN MARBLE, L.P., RECORDED UNDER F.N. X048484 OF SAID H.C.O.P.R.R.P.;

THENCE NORTH 86 DEGREES 16 MINUTES 54 SECONDS EAST, ALONG THE SOUTHERLY LINE OF SAID 11.960 ACRE TRACT A DISTANCE OF 1218.35 FEET TO A ½ INCH IRON ROD FOUND IN THE WESTERLY LINE OF A 5.026 ACRE TRACT AS DESCRIBED IN HCCF 20110187834 FOR THE NORTHEASTERLY CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE, SOUTH 03 DEGREES 16 MINUTES 10 SECONDS EAST, ALONG THE WEST LINE OF SAID CALLED 5.076 ACRES TRACT FOR A DISTANCE OF 550.00 FEET TO A FOUND 5/8 INCH IRON ROD WITH CAP FOR CORNER;

THENCE, NORTH 86 DEGREES 16 MINUTES 54 SECONDS EAST, ALONG THE SOUTH LINE OF SAID CALLED 5.076 ACRES TRACT AND THE NORTH LINE OF SAID CALLED 38.86 ACRE TRACT, FOR A DISTANCE OF 402.00 FEET TO A SET 5/8 INCH IRON ROD IN THE WEST LINE OF A CALLED 67.845 ACRE TRACT RECORDED IN HARRIS COUNTY CLERK'S FILE NO. J675590;

THENCE, SOUTH 03 DEGREES 16 MINUTES 10 SECONDS EAST, ALONG THE WESTERLY LINE OF SAID 67.845 ACRE TRACT, A DISTANCE OF 1,539.43 FEET TO THE POINT OF BEGINNING AND CONTAINING WITHIN ITS BOUNDS A COMPUTED AREA OF 33.784 ACRES (1,471,656 SQUARE FEET) OF LAND.

Note: The Company is prohibited from insuring the area or quantity of the land described herein. Any statement in the above legal description of the area or quantity of Land is not a representation that such area or quantity is correct, but is made only for informational and/or identification purposes and does not override item 2 of Schedule "B" hereof.
SCHEDULE B

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) that arise by reason of the terms and conditions of the leases and easements, if any, shown in Schedule A, and the following matters:

1. The following restrictive covenants of record itemized below (the Company must either insert specific recording data or delete this exception):

   Harris County Clerk's File No(s). Z110026 and 20110187834,

   But deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status or national origin unless and only to the extent that said covenant (a) is exempt under chapter 42, section 3607 of the United States code or (b) Relates to handicap but does not discriminate against handicapped persons.

2. Shortages in area.

3. Homestead or community property or survivorship rights, if any, of any spouse of any insured.

4. Any titles or rights asserted by anyone, including but not limited to, persons, the public, corporations, governments or other entities.
   a. to tidelands, or lands comprising the shores or beds of navigable or perennial rivers and streams, lakes, bays, gulfs or oceans,
   b. to lands beyond the line of the harbor or bulkhead lines as established or changed by any government, or
   c. to filled-in lands, or artificial islands, or
   d. to statutory water rights, including riparian rights, or
   e. to the area extending from the line of mean low tide to the line of vegetation or the right of access to that area or easement along and across that area.

5. Standby fees, taxes and assessments by any taxing authority for the year 2014 and subsequent years; and subsequent taxes and assessments by any taxing authority for prior years due to change in land usage or ownership, but not those taxes or assessments for prior years because of an exemption granted to a previous owner of the property under Section 11.13, Texas Tax Code, or because of improvements not assessed for a previous tax year.

6. The following matters and all terms of the documents creating or offering evidence of the matters (The Company must insert matters or delete this exception):

   A. Rights of Parties in possession.

   B. Pipeline easement as granted to Standish Pipe Line Co. by instrument recorded in Volume 1140, Page 51 of the Deed Records of Harris County, Texas.

   C. Pipeline easement as granted to Humble Oil & Refining Company by instrument recorded in Volume 1099, Page 40 of the Deed Records of Harris County, Texas.

   D. Pipeline easement as granted to Phillips Petroleum Company by instrument recorded in Volume 2614, Page 666 of the Deed Records and being affected by instrument filed for record under Clerk's File No. G054794, both of Harris County, Texas.

   E. Pipeline easement as granted to Phillips Pipe Line Company by instrument recorded in Volume 5501, Page 221 of the Deed Records of Harris County, Texas.
F. Easements as granted to Houston Lighting & Power Company by instrument filed for record under Harris County Clerk’s File No. M361537.

G. A non-exclusive right-of-way and easement for pipeline purposes fifty (50) feet in width, as granted to Seaway Crude Pipeline LLC by instrument filed for record under Harris County Clerk’s File No. 20120585762.

H. Various mineral and royalty interests as set out in instruments recorded in Volume 1103, Page 690; Volume 1111, Page 77; Volume 4337, Page 421 and Volume 4348, Page 180, all of the Deed Records of Harris County, Texas. (Title to said interest not checked subsequent to its date of reservation.)

I. 1/4th of all oil, gas and other minerals as set forth by instrument(s) recorded in Volume 189, Page 344 of the Contract Records of Harris County Texas. (Title to said interest not checked subsequent to its date of reservation.)

J. 1/4th of all oil, gas and other minerals as set forth by instrument(s) recorded in Volume 188, Page 151 of the Contract Records of Harris County, Texas. (Title to said interest not checked subsequent to its date of reservation.)

K. The terms, conditions and stipulations of that certain Mineral Lease recorded in Volume 171, Page 126 Volume 952, Page 633, Volume 952, Page 628 and Volume 2021, Page 601, all of the Contract Records of Harris County, Texas. (Title to said lease not checked subsequent to its date of execution)

L. All oil, gas and other minerals as set forth by instrument(s) file for record under Harris County Clerk’s File No(s) Z110026.

M. Subject property is located within the City of Houston or within its extra territorial jurisdiction (within 5 miles of the city limits but outside another municipality) it is subject to the terms, conditions, and provisions of City of Houston Ordinance No. 85-1878, pertaining to, among other things, the platting and re-platting of real property and to the establishment of building lines. A certified copy of said ordinance was filed of record on August 1, 1991, under Harris County Clerk’s File No(s). N253886.

N. Subject property does not have access to a dedicated roadway; rights of ingress and egress are not insured.

O. Subject property lies within the boundaries of CLEAR LAKE CITY WATER AUTHORITY.

P. Exclusive, permanent easements for electric distribution and related communication facilities ten feet in width in two separate locations in the Northerly West part of subject property, together with adjoining unobstructed aerial easements, as granted to CenterPoint Energy Houston, Electric, LLC by instrument filed for record on May 27, 2014, under Harris County Clerk’s File No. 20140221045 and as shown on sketch attached thereto.

Q. An apparent pipeline corridor containing multiple pipelines traversing the subject property in a general North-South direction, as depicted or shown on the survey dated March 28, 2014, prepared by Fred F. Lawton, RPLS No. 5530, Job No. 67-14 for South Texas Surveying Associates, Inc.

R. This company does not insure the situation on the subject property of two separate mobile offices, which have not been converted to real property according to statute; the location of said mobile offices being depicted and shown on the survey dated March 28, 2014, prepared by Fred F. Lawton, RPLS No. 5530, Job No. 67-14 for South Texas Surveying Associates, Inc.

American Title Company of Houston

Authorized Officer or Agent

FORM T1: Owner’s Policy of Title Insurance
IMPORTANT NOTICE
To obtain information or make a complaint:

You may call Stewart Title Guaranty Company's toll-free telephone number for information or to make a complaint at:

1-800-729-1900

You may also write to Stewart Title Guaranty Company at:

P.O. Box 2029
Houston, Texas 77252-2029

You may contact the Texas Department of Insurance to obtain information on companies, coverages, rights or complaints at:

1-800-252-3439

You may write the Texas Department of Insurance:

P.O. Box 149104
Austin, TX 78714-9104
Fax: (512) 475-1771
Web: http://www.tdi.state.tx.us
E-mail: ConsumerProtection@tdi.state.tx.us

PREMIUM OR CLAIM DISPUTES:
Should you have a dispute concerning your premium or about a claim you should contact the title insurance agent first. If the dispute is not resolved, you may contact the Texas Department of Insurance.

ATTACH THIS NOTICE TO YOUR POLICY:
This notice is for information only and does not become a part or condition of the attached document.

AVISO IMPORTANTE
Para obtener información o para someter una queja:

Usted puede llamar al número de teléfono gratis de Stewart Title Guaranty Company para información o para someter una queja al:

1-800-729-1900

Usted también puede escribir a Stewart Title Guaranty Company at

P.O. Box 2029
Houston, Texas 77252-2029

Puede comunicarse con el Departamento de Seguros de Texas para obtener información acerca de compañías, coberturas, derechos o quejas al:

1-800-252-3439

Puede escribir al Departamento de Seguros de Texas:

P.O. Box 149104
Austin, TX 78714-9104
Fax: (512) 475-1771
Web: http://www.tdi.state.tx.us
E-mail: ConsumerProtection@tdi.state.tx.us

DISPUTAS SOBRE PRIMAS O RECLAMOS:
Si tiene una disputa concerniente a su prima o a un reclamo, debe comunicarse con el agente de seguro de título primero. Si no se resuelve la disputa, puede entonces comunicarse con el departamento (TDI).

UNA ESTE AVISO A SU POLIZA: Este aviso es solo para propósito de información y no se convierte en parte o condición del documento adjunto.
EXHIBIT C

DECLARATION OF RESTRICTIVE COVENANT

This Declaration is made as of the ______ day of ________, 2018, by KCG Development, LLC, a Florida limited liability company ("Declarant") to and for the benefit of 84SLB1, LLC, a Pennsylvania limited liability company ("Seller"), having a mailing address of 1019 Route 519, Eighty Four, PA 15330.

RECITALS

A. On the ______ day of ________, 2018, Seller has conveyed to Declarant a certain parcel of land located in the County of Harris and State of Texas, as more fully described on Schedule A herein (the "Subject Property").

B. In consideration of the purchase and sale of the Subject Property, Declarant has agreed to make this Declaration upon the terms and conditions hereinafter set forth.

NOW THEREFORE, for good and valuable consideration, intending to be legally bound, Declarant hereby covenants, declares and agrees as follows:

1. Incorporation By Reference - The above recitals are incorporated herein and made a part hereof.

2. Declaration - None of the Subject Property as described more fully on Schedule A herein (collectively the "Encumbered Property") shall be used for the operation of a retail lumber or building supply business or truss manufacturing company for a period of twenty (20) years after the date hereof.

3. Run With The Land - The terms and conditions of this Declaration shall run with the land and shall be binding upon Declarant and its representatives, successors, assigns and tenants and shall benefit Seller and its successors and assigns.

4. Recordation - This Declaration shall be recorded in the appropriate land records of each county or appropriate local jurisdiction within the location of the Encumbered Property.

5. Modifications - This Declaration may not be modified, waived or amended except by a written instrument executed by Seller, its successors or assigns.

6. Headings Not Controlling - Headings used in this Declaration are for reference purposes only and shall not be deemed a part of this Declaration.

IN WITNESS WHEREOF, Declarant has executed this Declaration as of the date first written above.

KCG Development, LLC

Witness: ____________________________

By: ____________________________

Its: ____________________________

________________________

Sworn to and subscribed before me by ____________________________ on this ______ day of ________, 2018.

________________________

Notary Public

(All Declarants Must Sign)

This Instrument was prepared by and after recording should be returned to:

84SLB1, LLC
1019 Route 519, Building 4
Eighty Four, PA 15330
Attn: Bethany Cypher
Schedule A
(Legal Description of Subject Property)
Census tract # 48201340201

Matched Address: 11203 GALVESTON RD, HOUSTON, TX, 77034
MSA: 26420 - HOUSTON-THE WOODLANDS-SUGAR LAND, TX || State: 48 - TEXAS || County: 201 - HARRIS COUNTY || Tract Code: 3402.01

Selected Tract
MSA: || State: || County: || Tract Code:
**Summary Census Demographic Information**

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<th>Tract Income Level</th>
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<tr>
<td>Tract Population</td>
<td>1663</td>
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<tr>
<td>Number of Families</td>
<td>420</td>
</tr>
<tr>
<td>Number of Households</td>
<td>762</td>
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<table>
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<tr>
<th>Tract Income Level</th>
<th>Upper</th>
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<tr>
<td>Tract Median Family Income</td>
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<td>Tract Median Family Income %</td>
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<td>Owner-Occupied Units</td>
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<tr>
<td>1- to 4- Family Units</td>
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<tr>
<th>Census Income Information</th>
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<tbody>
<tr>
<td>2010 MSA/MD/statewide non-MSA/MD Median Family Income</td>
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<tr>
<td>2018 FFIEC Estimated MSA/MD/non-MSA/MD Median Family Income</td>
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<td>% below Poverty Line</td>
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<td>Tract Median Family Income %</td>
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<td>2010 Tract Median Family Income</td>
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<td>2018 Estimated Tract Median Family Income</td>
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<td>2010 Tract Median Household Income</td>
<td>$97,241</td>
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<th>Census Population Information</th>
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<tbody>
<tr>
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<td>Number of Families</td>
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<tr>
<td>Number of Households</td>
<td>762</td>
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<td>Vacant Units</td>
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</table>

**State:** 48 - TEXAS

**County:** 201 - HARRIS COUNTY

**MSA:** 26420 - HOUSTON-THE WOODLANDS-SUGAR LAND, TX

**Tract Code:** 3402.01

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[County Population Information](#)
Due to the lapse in Congressional Appropriations for Fiscal Year 2019, the U.S. Department of Housing and Urban Development (HUD) is closed. HUD websites will not be updated until further notice. For more information, see HUD Contingency Plan for Possible Lapse in Appropriations.

The 2019 Qualified Census Tracts (QCTs) and Difficult Development Areas (DDAs) are effective January 1, 2019. The 2019 designations use data from the 2010 Decennial census and three releases of 5-year tabulations from the American Community Survey (ACS): 2010-2014; 2011-2015; and 2012-2016. The designation methodology is explained in the federal Register notice published October 22, 2018.

Map Options
13 Current Zoom Level
- Show Difficult Development Areas (Zoom 7+)
- Color QCT Qualified Tracts (Zoom 7+)
- Show Tracts Outline (Zoom 11+)
- Show FMR Outlines (Zoom 4+)
- Show LIHTC Projects (Zoom 11+)

Click here for full screen map

Select Year
- 2019
- 2018

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HUD at 50

Initiatives
Aging Research and Resources
Aligning Affordable Rental Housing
Interagency Physical Inspection Alignment

Research
Case Studies
Data Sets
Periodicals
January 7, 2018

LIHTC Pre-Application # 19162 “Galveston Landing”

A Request for Staff Determination regarding some neighborhood characteristics for this site was submitted via email on January 2, 2019 to Marni Holloway and Sharon Gamble.

Response from staff was that this item would not be able to be on the TDHCA board agenda until the February 2019 board meeting.