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

Application Number: 19238
Submitted Date: 1/8/2019 1:40AM
Submitted By: Sarah Anderson

Contact Information

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Email: ajcarpen@gmail.com
Consultant Contact: Alyssa Carpenter
Phone: 512-789-1295
Email: ajcarpen@gmail.com

Development Information

Name of Proposed Entity: Franklin Trails, LP
Development Name: Franklin Trails
Development Type: New Construction
Secondary Type: None
Previous TDHCA #: None
Initial Construction Year: 0
Units Demolished: 0
Units Reconstructed: 0
# of Non-Contiguous Sites: 48
# of Census Tracts: 1
Target Population: Elderly
Development Address: S side of W Decherd St, W of Hearne St
Franklin, TX 77859
ETJ?: N
County: Robertson
Region: 8
Rural/Urban: Rural
Census Tracts: 48395960300
Total LI Units: 48
Total MR Units: 0
Total Units: 48
HTC Request: $600,000.00
Pre-App Fee Due: $480.00
Has Fee already been submitted?: No
Name on Check:
Check Number: none

Notifications

U.S. Representative: Bill Flores
State Senator: Charles Schwertner
State Representative: Kyle Kacal
District: 17
District: 5
District: 12
### Competitive Housing Tax Credit Selection Self-Score

<table>
<thead>
<tr>
<th>Criteria Promoting Development of High Quality Housing</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unit Sizes</td>
<td>6</td>
</tr>
<tr>
<td>Unit Features</td>
<td>9</td>
</tr>
<tr>
<td>Sponsor Characteristics</td>
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<tr>
<td>High Quality Housing Total</td>
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<table>
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<tr>
<th>Criteria to Serve and Support Texans Most in Need</th>
<th>Value</th>
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<tbody>
<tr>
<td>Income Levels of Tenants</td>
<td>16</td>
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<tr>
<td>Rent Levels of Tenants</td>
<td>11</td>
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<tr>
<td>Tenant Services</td>
<td>10</td>
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<tr>
<td>Opportunity Index</td>
<td>7</td>
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<tr>
<td>Underserved Area</td>
<td>3</td>
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<tr>
<td>Tenant Populations with Special Housing Needs</td>
<td>2</td>
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<tr>
<td>Proximity to the Urban Core</td>
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<tr>
<td>Serve and Support Texans Most in Need Total</td>
<td>49</td>
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<table>
<thead>
<tr>
<th>Criteria Promoting Community Support and Engagement</th>
<th>Value</th>
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<tbody>
<tr>
<td>Commitment of Development Funding by Local Political Subdivision</td>
<td>1</td>
</tr>
<tr>
<td>Declared Disaster Area</td>
<td>10</td>
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<tr>
<td>Community Support and Engagement Total</td>
<td>11</td>
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</table>
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: 0 points
- Government Support: 17 points
- Quantifiable Community Participation: 4 points
- Support from State Representative: 8 points
- Input from Community Organizations: 4 points
- Concerted Revitalization Plan: 0 points
- Eligible to score at least 4 points under Opportunity Index?: 

Attachments and Certifications

- Site Control Documentation: Site Control 4C_Franklin_Franklin Trails.pdf
- Census Tract Map: census franklin trails.pdf
- Neighborhood Risk Factors: 
- Other Pertinent Information:
CONTRACT OF SALE

THIS CONTRACT OF SALE (the "Contract") is made between John Carson Mitchell III, a married man, but not joined herein by my wife since the real property conveyed herein constitutes no part of my homestead and is my separate property; Clyde Carson Jackson, Jr., a married man, but not joined herein by my wife since the real property conveyed herein constitutes no part of my homestead and is my separate property; and John Michael Jackson, a married man, but not joined herein by my wife since the real property conveyed herein constitutes no part of my homestead and is my separate property ("Seller") and 4C Development, LLC, a Texas limited liability company and/or its assigns ("Purchaser"), who, in consideration of the agreements herein contained, and for good and valuable consideration to be received, and the sufficiency of which are hereby acknowledged, agree as follows:

ARTICLE 1.

SALE OF THE PROPERTY

Subject to the terms and provisions of this Contract, Seller agrees to sell to Purchaser, and Purchaser agrees to purchase from Seller approximately 12.23 +/- acres of real property in The City of Franklin, Robertson County, Texas, further depicted on Exhibit "A" attached hereto and incorporated herein by reference for all purposes, together with all appurtenances thereon or in anywise appertaining thereto (collectively, the "Property"). Upon obtaining the Survey, as described in Section 4.2, the surveyed legal description shall define the “Property.”

ARTICLE 2.

PURCHASE PRICE

The total purchase price for the Property (the "Purchase Price") shall be SIX HUNDRED THOUSAND DOLLARS ($600,000.00), and will be paid to Seller in cash at closing according to Section 7.1 hereof, subject to prorations and other credits provided for in this Contract.

ARTICLE 3.

INITIAL CONSIDERATION AND EARNEST MONEY DEPOSIT

3.1 Initial Consideration. No later than seven (7) business days after the Effective Date, Purchaser shall deliver to Seller a check in the amount of Six Thousand Dollars ($6,000.00) as initial earnest money for this Contract (the "First Earnest Money Deposit"). The Initial Consideration is non-refundable, but applicable to the purchase price, and shall be retained by Seller regardless of whether or not this Contract is terminated pursuant to a Permitted Termination as provided in Section 10.1 hereof.

3.2 Additional Earnest Money Deposit. Purchaser shall deposit with Trinity Title of Texas (hereinafter referred to as the "Title Company"), earnest money deposits as follows:
Four Thousand Dollars ($4,000) (the “Second Earnest Money Deposit”) to be considered non-refundable, except in the event of a Seller default, and held in escrow, and applicable to the purchase price, deposited with the Title Company on or before May 1, 2019.

ARTICLE 4.

TITLE AND SURVEY

4.1 Title Binder. Seller shall, as soon as possible, and not later than thirty (30) days from the Effective Date, cause to be furnished to Purchaser a current standard Texas form Commitment for Title Insurance (the "Commitment"), issued through the Title Company, describing the Property (which legal description, unless and to the extent modified by the Survey prescribed in Section 4.2 below, shall be deemed incorporated in this Contract), listing Purchaser as the proposed insured and showing the Purchase Price. With regard to the standard printed exceptions and other common exceptions generally included in Texas form Commitments for Title Insurance: (i) the exception for restrictive covenants shall be deleted or shall list the instruments containing restrictions, (ii) the exception for area and boundaries shall be annotated to show that upon receipt by the Title Company of a satisfactory survey, the exception will at the Closing be limited to "shortages in area" at Purchaser's expense (iii) the exception for ad valorem taxes shall reflect only standby fees, taxes and assessments by taxing authorities for the current year and subsequent years, (iv) there shall be no exception for "visible and apparent easements," for "public or private roads" or the like and (v) there shall be no exception for "rights of parties in possession." At such time as Seller causes the Commitment to be furnished to Purchaser, Seller shall further cause to be furnished to Purchaser legible true copies of all instruments referred to in the Commitment as conditions or exceptions to title to the Property. Purchaser shall pay all rollback taxes, if any.

4.2 Survey. Purchaser shall cause to be prepared a survey (the "Survey") of the Property, prepared by a surveyor licensed in the State of Texas.

4.3 Review of Title and Survey. Purchaser shall have a period (the "Review Period") ending the earlier of (a) the last day of the Feasibility Period (hereinafter defined), or (b) ninety (90) days after the date on which Purchaser receives the last to be received of (i) the Commitment, (ii) legible true copies of all instruments referred to in the Commitment, and (iii) the Survey, in which to notify Seller of any objections Purchaser has to any matters shown or referred to in the Commitment or on the Survey. Any title encumbrances or exceptions which are set forth in the Commitment or on the Survey, and to which Purchaser does not object within the Review Period, shall be deemed to be permitted exceptions to the status of Seller's title (the "Permitted Exceptions"). None of the exceptions prohibited in Section 4.1 above shall be Permitted Exceptions.

4.4 Objections to Status of Title. In the event that Purchaser shall object to the status of Seller's title during the Review Period, Seller shall have twenty (20) days from delivery of Purchaser's objections within which to satisfy Purchaser's objections ("Seller's Cure Period"). In the event Seller shall be unable or unwilling to satisfy Purchaser's objections within Seller's Cure Period, Seller shall notify Purchaser of such fact in writing ("Seller's Notice") prior to the expiration of the Seller's Cure Period (Seller's failure to deliver Seller's notice being deemed an election to satisfy Purchaser's objections), and Purchaser shall have the option to (i) waive
Purchaser's objections and purchase the Property as otherwise contemplated in this Contract, notwithstanding such objections, in which event the subject matter of such waived objections shall become Permitted Exceptions, and Seller shall convey the Property to Purchaser by the deed referred to in Section 7.4(a)(1) hereof, subject to the Permitted Exceptions, or (ii) terminate this Contract by written notice to the Seller within ten (10) days after receipt by Purchaser of Seller's Notice, which shall be a Permitted Termination as provided in Section 10.1 hereof. If Purchaser does not terminate this Contract within ten (10) days after receipt by Purchaser of Seller's Notice, Purchaser shall be deemed to have waived the objections.

ARTICLE 5.

INVESTIGATION BY PURCHASER

5.1 Matters to be Submitted. Within thirty (30) days from the Effective Date, and to the extent in Seller’s possession and not previously furnished by Seller to Purchaser, Seller shall use Seller's best efforts to deliver to Purchaser, at Seller's sole cost and expense, the following items (hereinafter referred to as the "Submission Matters"):

(a) Copies, to be true and correct to the best of the Seller’s knowledge of all real property tax bills with respect to the Property for the year 2017 and the valuation for 2018 and copies of any notices received by Seller of any taxing authority's intent to effect a change in the assessed value or basis for levy of taxes with respect to the Property indicated in such bills;

(b) copies of all environmental site assessments or geotechnical reports of the Property which have been prepared for Seller and are in Seller's possession, if any; There are None;

(c) copies of all leases affecting the Property, if any; There are None;

5.2 Feasibility Period. Purchaser shall have a period until August 1, 2019, to examine the Submission Matters, to apply for tax credit funding, and to physically inspect the Property, and Purchaser or Purchaser's authorized representative shall have the right from and after the Effective Date to enter upon and make non-destructive tests on the Property, which tests may include environmental assessments and structural engineering and testing, soil analysis, and core drilling. Purchaser shall repair any physical damage occasioned to the Property as a result of such tests. Purchaser shall give Seller forty-eight (48) hours’ notice prior to any inspection of the Property. Purchaser shall indemnify and hold Seller harmless from any and all costs or expenses incurred in relation to the inspections and studies described herein.

5.3 Approval of Inspections. The obligations of Purchaser pursuant to this Contract are expressly conditioned and contingent upon Purchaser's satisfaction with and approval of the Submission Matters and the results of all inspections made by Purchaser pursuant to the provisions of this Article 5 within the Feasibility Period, such satisfaction and approval to be in the sole and absolute discretion of Purchaser. In the event of disapproval by Purchaser of the results of one or more of such inspections and inquiries, or if Purchaser for any other reason determines that
Purchaser does not want to purchase the Property, this Contract shall at the election of Purchaser be terminated upon written notice to Seller prior to the expiration of the Feasibility Period, which shall be a Permitted Termination as provided in Section 10.1 hereof.

ARTICLE 6.

WARRANTIES AND REPRESENTATIONS

6.1 Warranties and Representations of Seller. The Seller represents and warrants to the best of Seller’s knowledge to Purchaser as of the Effective Date and as of the Closing Date that:

(a) no portion of the Property shall, as of or subsequent to the Closing Date, be subject to the burdens or obligations of any agreement which would restrict or inhibit the operation and use of the property for the planned development of apartment units which was caused by the Seller’s actions.

(b) there is no pending condemnation or similar proceeding affecting the Property or any portion thereof, and Seller has not received any written notice and has no actual knowledge that any such proceeding is contemplated;

(c) to the best of Seller’s actual knowledge, there is no action, suit, proceeding or claim affecting any portion of the Property, or relating to or arising out of the ownership, operation, use or occupancy of the Property pending or being prosecuted in any court or by or before any federal, state, county, or municipal department, commission, board, bureau or agency or other governmental instrumentality nor, to the actual knowledge of Seller, is any such action, suit, proceeding or claim threatened or being asserted; and to Seller's actual knowledge, there is no proceeding pending or presently being prosecuted for the reduction of the assessed valuation or taxes or other impositions payable in respect of any portion of the Property;

(d) to Seller's actual knowledge, no work has been performed or is in progress by Seller, and no materials have been furnished to the Property, which might give rise to mechanic's, materialman's or other liens against the Property or any portion after Closing;

(e) Seller has good and indefeasible title to the Property and has full right, title, authority and capacity to execute and perform this Contract and to consummate all of the transactions contemplated herein, is not prohibited from consummating the transactions contemplated in this Contract by any law, regulation, agreement, instrument, restriction, order or judgment;

(f) to Seller's actual knowledge, there are no adverse parties in possession of the Property or of any part thereof and no parties in possession thereof except Seller, except as otherwise expressly disclosed herein, and no party has been granted any license, lease, or other right relating to the use or possession of the Property except as otherwise expressly disclosed herein;
(g) there are no contracts or other obligations outstanding for the sale, exchange or transfer of the Property or any portion thereof or the business operated thereon;

(h) to Seller's actual knowledge, there are no attachments, executions, assignments for the benefit of creditors, receiverships, conservatorships or voluntary or involuntary proceedings in bankruptcy or pursuant to any other debtor relief laws contemplated or filed by Seller or pending against Seller or the Property;

(i) Seller is a citizen or resident of the United States of America, a domestic partnership, a domestic corporation or a non-foreign estate or trust, is not a "foreign person" and is not currently a U.S. Real Property Holding Company (as the foregoing terms are defined in the federal Foreign Investment in Real Property Tax Act of 1980 and the 1984 Tax Reform Act, as amended (the "Federal Tax Laws")) and Purchaser is not required to withhold from Seller, pursuant to the federal tax law, any of the consideration to be paid for the Property pursuant to this Contract.

(j) There is currently a permit permitting drilling activities on the Property, but no such drilling activity exists as of the date of this Contract, nor will it exist as of Closing. Seller does not conduct drilling activity on any of the property owned by Seller (or any single individual comprising Seller) that is within 500 feet of the Property, nor will it commence such activities (or permit others to commence such activities) on such adjacent property prior to Closing.

Property Condition. EXCEPT AS OTHERWISE EXPRESSLY SET FORTH IN PARAGRAPH 6.1 OF THIS CONTRACT, PURCHASER ACCEPTS THE PROPERTY IN ITS PRESENT CONDITION "AS IS," "WHERE IS" AND "WITH ALL FAULTS". SELLER MAKES NO FURTHER WARRANTIES OR REPRESENTATIONS OF ANY KIND OR CHARACTER, EXPRESS OR IMPLIED, WITH RESPECT TO THE PROPERTY, INCLUDING, WITHOUT LIMITATION, THE PHYSICAL CONDITION, INCOME TO BE DERIVED FROM OR EXPENSES TO BE INCURRED WITH RESPECT TO SUCH PROPERTY, AND THERE ARE NO ORAL AGREEMENTS, WARRANTIES OR REPRESENTATIONS COLLATERAL TO OR AFFECTING THE PROPERTY. PURCHASER ACKNOWLEDGES THAT, EXCEPT AS OTHERWISE EXPRESSLY SET FORTH IN SECTION 6.1 OF THIS CONTRACT, SELLER HAS NOT MADE, DOES NOT MAKE, AND SPECIFICALLY NEGATES AND DISCLAIMS ANY REPRESENTATIONS, WARRANTIES, PROMISES, COVENANTS, AGREEMENTS OR GUARANTEES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, OF, AS TO, CONCERNING, OR WITH RESPECT TO, (I) THE VALUE, NATURE, QUALITY OR CONDITION OF THE PROPERTY, INCLUDING WITHOUT LIMITATION, THE WATER, SOIL AND GEOLOGY, (II) THE SUITABILITY OF THE PROPERTY FOR ANY AND ALL ACTIVITIES AND USE WHICH MAY BE CONDUCTED THEREON, (III) THE COMPLIANCE OF OR BY THE PROPERTY WITH ANY LAWS, RULES, ORDINANCES OR REGULATIONS OR ANY APPLICABLE GOVERNMENT AUTHORITY OR BODY, (IV) THE HABITABILITY, MERCHANTABILITY, MARKETABILITY, PROFITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE PROPERTY, OR (V) ANY OTHER MATTER WITH RESPECT TO THE PROPERTY, AND SPECIFICALLY, THAT SELLER HAS NOT MADE, AND DOES NOT MAKE AND SPECIFICALLY NEGATES AND DISCLAIMS ANY REPRESENTATIONS OR WARRANTIES REGARDING COMPLIANCE OF THE
PROPERTY WITH ANY ENVIRONMENTAL PROTECTION, POLLUTION OR LAND USE LAWS, RULES, REGULATIONS, ORDER OR REQUIREMENTS, INCLUDING, WITHOUT LIMITATION, THOSE PERTAINING TO SOLID WASTE, AS DEFINED BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY REGULATIONS AT 40 C.F.R., PART 261, OR THE DISPOSAL OR EXISTENCE, IN OR ON THE PROPERTY, OF ANY HAZARDOUS SUBSTANCES AS DEFINED BY THE COMPREHENSIVE ENVIRONMENTAL RESPONSE COMPENSATION AND LIABILITY ACT OF 1980, AS AMENDED, AND THE REGULATIONS PROMULGATED THEREUNDER. PURCHASER SHALL RELY SOLELY ON ITS OWN INVESTIGATION OF THE PROPERTY AND NOT ON ANY INFORMATION PERTAINING TO THE PROPERTY OR THE OPERATION THEREOF, FURNISHED BY ANY PARTY PURPORTING TO ACT ON BEHALF OF THE SELLER. PURCHASER IS PURCHASING THE PROPERTY WITHOUT REPRESENTATION, WARRANTY, AGREEMENT OR STATEMENT BY SELLER OR ANYONE ACTING ON BEHALF OF SELLER, EXPRESS OR IMPLIED, OF ANY KIND OR NATURE, OTHER THAN THE WARRANTY OF TITLE CONTAINED IN THE SPECIAL WARRANTY DEED AND THE REPRESENTATIONS AND WARRANTIES CONTAINED IN SECTION 6.1 OF THIS CONTRACT. AFTER FINAL CLOSING AND FUNDING OF THIS CONTRACT, SELLER SHALL HAVE NO RESPONSIBILITY OR LIABILITY FOR ANY REMEDIAL MEASURES REQUIRED BY ANY GOVERNMENTAL AGENCY, OR OTHERS, IN CONNECTION WITH THE PROVISIONS OF THIS PARAGRAPH.

Except as set forth in Section 6.1 of this Contract and the warranty of title contained in the Deed conveyed at Closing, Seller is providing no other representations or warranties.

6.2 Leasing/sale. Seller will not enter into any other lease/sale agreements affecting the property. Seller or related parties will not enter any agreements with, or sell any property to, any other developers applying for funding to the Texas Department of Housing and Community Affairs in 2019 or 2020. Additionally, Seller hereby covenants and agrees with Purchaser that, for so long as Seller (or any individual comprising Seller) owns real property within 500 feet of the Property, not to conduct, or permit others to conduct, any mineral activities (including drilling) on the surface of such real property.

6.3 Closing Certificate. At Closing, Seller shall execute and deliver to Purchaser a certificate ("Closing Certificate") certifying that to the best of Seller’s knowledge the representations and warranties set forth by Seller in this Contract are true and correct as of Closing except as may be otherwise set forth in the Closing Certificate. If the qualifications set forth in the Closing Certificate are material and arise as a result of causes other than the act or failure to act of Seller, Purchaser (as its sole remedy) may either: (a) waive said matter and close this transaction in accordance with the terms hereof; or (b) elect to terminate this Contract by delivering written notice thereof to Seller on or before the Closing, which shall be a Permitted Termination as provided in Section 10.1 hereof. If the qualifications set forth in the Closing Certificate are material and arise out of the act or failure to act of Seller, Purchaser shall have the remedies set forth in Section 10.2.

6.4 Survival. The representations and warranties made by Seller in Section 6.1 hereof, elsewhere in this Contract, shall survive the passage of title from Seller to Purchaser for a period of one (1) month at which time they shall terminate if Purchaser has not previously commenced litigation based on the breach thereof. Seller shall and does hereby indemnify Purchaser from and
against any and all actual loss, damage, cost and expense, including court costs and reasonable attorneys’ fees and expenses, which Purchaser may incur or sustain arising out of any material breach of Seller’s representations or warranties in this Contract.

ARTICLE 7.

CLOSING

7.1 Time and Place of Closing. Provided that all of the conditions of this Contract shall have been satisfied, and specifically all Conditions Precedent to Closing, on or prior to the Closing Date (herein so called), the Closing (herein so called) of this transaction shall take place at the Title Company on August 21, 2019, or such earlier date as may be specified by Purchaser by not less than (14) days advance notice to Seller. Purchaser shall have the right, at its sole discretion, to extend the Closing Date for one (1) period of sixty (60) days, by written notice to Seller not less than five (5) days prior to the then current Closing Date, together with deposit in escrow of the amount of Fifteen Thousand Dollars ($15,000) for such extension, which payments shall be non-refundable (except in the event of Seller's default hereunder or inability to deliver title to the Property in the condition required hereunder) but shall be applicable to the Purchase Price.

7.2 Expenses. Seller shall pay the premium for a standard Texas Owner's Policy of Title Insurance issued by the Title Company insuring Purchaser's title to the Property in the amount of the Purchase Price for the Property, its own attorney's fees, half of the escrow fee charged by the Title Company, and its share of the prorations as set forth in Section 7.3 hereof. Purchaser shall pay the cost of the Survey, its proportionate share of the prorations as set forth in Section 7.3 hereof, one-half of the escrow fee charged by the Title Company, the recording fees for its deed, and its own attorney's fees. Except as otherwise provided in this Section, all other expenses hereunder shall be paid by the party incurring such expenses.

7.3 Prorations. Real property ad valorem taxes, and utility charges, if any, shall be prorated to the Closing, based upon actual days involved. Seller shall be responsible for all ad valorem taxes for any period prior to the Closing. All charges pursuant to any utility charges shall be determined as of the day prior to the Closing Date and paid by Seller. To the extent that the actual amounts of such charges, expenses, and income referred to in this Section are unavailable at the Closing Date, the closing statements shall be based upon estimated amounts, and a readjustment of these items shall be made within thirty (30) days after the Closing. Seller shall bear all expenses through the Closing Date. In connection with the proration of real property ad valorem taxes, if actual tax figures for the year of Closing are not available at the Closing Date, an estimated proration of taxes shall be made using tax figures from the preceding year; however, when actual taxes for the year of Closing are available, a corrected proration of taxes shall be made. If such taxes for the year of Closing increase over those for the preceding year, Seller shall pay to Purchaser a pro-rata portion of such increase, computed to the Closing Date, and conversely, if such taxes for the year of Closing decrease from those of the preceding year, Purchaser shall pay to Seller a pro rata portion of such decrease, computed to the Closing Date, any such payment to be made within ten (10) days after notification by either party that such adjustment is necessary. Seller shall, on or before the Closing Date, furnish to Purchaser and the Title Company all information necessary to compute the prorations provided for in this Section. Except for the prorations between Purchaser and Seller as hereinabove provided, the payment of any and all assessments, special assessments, charges, levies, or taxes against the Property, shall be the sole
responsibility of and shall be paid by Seller if due and payable prior to the Closing Date and shall be the sole responsibility of and shall be paid by Purchaser if due and payable on or after the Closing Date, provided, however, that Purchaser shall be responsible for and shall pay subsequent assessments for ad valorem taxes for years prior to the year of Closing due to change in land usage or in ownership of the Property. Purchaser shall be responsible for the payment of any rollback taxes, if any.

7.4 Deliveries at Closing. At the Closing:

(a) Seller shall deliver to Purchaser the following:

(1) a Special Warranty Deed in the form set forth in Exhibit B, attached hereto and made a part of this Contract for all general purposes, duly executed and acknowledged by Seller, conveying to Purchaser the Property free and clear of any lien, encumbrance or exception other than the Permitted Exceptions;

(2) transfer and assignment of Seller’s interest in all leases, rents and security deposits for all or part of the Property, and tenant estoppel certificates

(3) Intentionally deleted;

(4) a standard Texas form Owner Policy of Title Insurance issued by the Title Company conforming to the requirements of Article 4 above, insuring Purchaser's title in the amount of the Purchase Price and containing no exceptions other than the Permitted Exceptions;

(5) ad valorem tax statements for the Property for the calendar year of the Closing, if available and if not previously presented;

(6) possession of the Property;

(7) a Closing Certificate as required by Section 6.2 of this Contract in a form approved by the Seller;

(8) such evidence of the authority and capacity of Seller as Purchaser and/or the Title Company may reasonably require;

(9) a "Bills Paid Affidavit" to Purchaser and the Title Company verifying that all bills and other payables due in connection with the Property are paid, and any other documentation reasonably required by the Title Company in connection with the Closing;

(10) an affidavit in form and substance acceptable to Purchaser and in compliance with federal tax laws including, without limitation, the Foreign Investment in Real Property Tax Act of 1980 and the 1984 Tax Reform Act, as amended, which shall, among other things, set forth under penalty of perjury Seller's taxpayer identification number, a description of the Property, and the statement made under the penalty of perjury that Seller is not a "foreign person" (as defined in the aforementioned federal tax laws); and
(11) any other affidavit or addendum to this contract, as may be required by Purchaser’s and its affiliates, lenders and/or investors as it relates to the Property in a form approved by the Seller.

(b) Purchaser shall deliver to Seller the following:

(1) the consideration required pursuant to Article 2 hereof in cash or by certified funds or cashier's check in U.S. funds; and

(2) such evidence of the authority and capacity of Purchaser and its representatives as Seller or the Title Company may reasonably require (including an affidavit to Purchaser and Title Company as to the fact that the Property constitutes the separate marital property of the Seller).

ARTICLE 8.

INTERIM RESPONSIBILITIES OF SELLER

Seller agrees that during the period between the Effective Date and the Closing Date:

(a) Seller will manage the Property in accordance with the practices of a prudent real estate operator and shall continue to offer services and amenities (if applicable) in accordance with its practices prior to the Effective Date;

(b) Seller will enter into no agreement with respect to the leasing or, use, operation or maintenance of any portion of the Property without the prior written consent of Purchaser;

(c) subject to the prorations prescribed in Section 7.3 hereof, Seller will cause to be paid any and all costs and expenses of operation and maintenance of the Property incurred or attributable to a period prior to the Closing, and Seller agrees to indemnify and hold Purchaser harmless from all such costs and expenses other than rollback taxes, if any;

(d) Seller will not further encumber or permit encumbrance of the Property in any manner; and

(e) Seller will cooperate reasonably and at no cost to Seller with Purchaser’s efforts to entitle the property for tax credit funded residential development,

(f) Seller will reasonably cooperate with Purchaser’s efforts to plat and/or zone the property, as necessary for residential development without any cost to the Seller, it being the obligation of the Purchaser to make all applications to the City of Franklin in form acceptable to the City and Robertson County and to file any such entitlements acquired in the official Real Property Records of the County,

(g) Seller will grant necessary site access easements, utility easements, right of way dedications (to the extent Seller has any such dedication to grant), and utility easements, if needed for Purchaser’s development; Purchaser shall obtain any such entitlements at Purchaser’s cost and responsibility for all such items, if any, drafted at Purchaser’s cost.
(h) Seller shall use good faith efforts to cause the party(ies) to whom the drilling permit on the Property benefits to release or abandon that permit to the reasonable satisfaction of Purchaser.

ARTICLE 9.

CONDITIONS

9.1 Conditions Precedent to Purchaser's Obligation to Close. Purchaser's obligation to consummate the transactions contemplated hereunder is conditioned upon satisfaction of each of the following conditions at or prior to the Closing (or such earlier date as is specified with respect to a particular condition):

(a) None of the representations and warranties of Seller set forth in Article 6 hereof shall be untrue or inaccurate in any material respect;

(b) Seller shall not have failed to perform or comply with any of its agreements or obligations in the manner and within the periods provided herein, unless waived by Purchaser as hereinafter provided in this Paragraph 9.1;

(c) Neither Seller, nor any of the individual parties comprising Seller, shall be in receivership or dissolution, or have made any assignment for the benefit of creditors, or admitted in writing their inability to pay their debts as they mature, or have been adjudicated a bankrupt, or have filed a petition in voluntary bankruptcy, a petition or answer seeking reorganization, or any arrangement with creditors under the federal bankruptcy law, or any other similar law or statute of the United States or any State, and no such petition shall have been filed against it;

(d) No material or substantial change shall have occurred with respect to the Property which would in any way affect the findings made by Purchaser in connection with its inspections made pursuant to the terms of this Contract, unless caused by Purchaser during its inspections and studies of the Property;

(e) Neither the Property nor any part thereof or interest therein shall have been taken by execution or other process of law in any action prior to Closing;

(f) The Property shall be properly zoned with all necessary authorities in accordance with all applicable legal requirements to allow the construction and development of a residential housing community to be built and operated with conditions acceptable to Purchaser in Purchaser's sole discretion (the "Residential Community"), immediately upon the Closing; and

(g) Purchaser, at Purchaser's sole cost and expense, shall have received all entitlements necessary to construct the Residential Community, including, but not limited to, a TDHCA
commitment award letter for housing tax credits, parcel maps, development plans, plats, and infrastructure development permits. Seller will cooperate with the Purchaser in the signing of all documents necessary or incident to the processing of such applications that the owner of the Property has to sign in order that Purchaser may receive approval of such applications. The Seller shall not incur any costs or obligations in signing applications that the Purchaser requests from Seller.

In the event that all of the above conditions are not satisfied at or prior to the Closing (or such earlier date as is specified with respect to a particular condition), Purchaser may terminate this Contract, which shall be a Permitted Termination as provided in Section 10.1 hereof.

ARTICLE 10.

TERMINATION, DEFAULT AND REMEDIES

10.1 Permitted Termination. If this Contract is terminated by either party pursuant to a right expressly given it to do so hereunder (herein referred to as a "Permitted Termination"), this Contract shall thereafter be null and void and neither party shall have any further rights or obligations hereunder, except for such obligations that expressly survive the termination of this Contract.

10.2 Default by Seller. Seller shall be in default hereunder upon the occurrence of any one or more of the following events:

(a) any of Seller's warranties or representations set forth herein are untrue or inaccurate in any material respect; or

(b) Seller shall fail to meet, comply with or perform any covenant, agreement, or obligation on its part required, within the time limits and in the manner required in this Contract, for any reason other than a Permitted Termination.

In the event of a default by Seller hereunder and which default has not been remedied by Seller, Purchaser may, at Purchaser’s option and as its sole and exclusive remedies:

(a) terminate this Contract by written notice delivered to Seller at or prior to the Closing upon which Seller shall return to Purchaser the full amount of all earnest money paid to Seller under Article 3 of this Contract, or

(b) enforce specific performance of this Contract against Seller for the purchase of the Property.

10.3 Default by Purchaser. Purchaser shall be in default hereunder if Purchaser shall fail to deliver at the Closing any of the items required of Purchaser in Section 7.4(b) hereof, for any reason other than a default by Seller hereunder or a Permitted Termination. In the event of a default by Purchaser hereunder, Seller, as Seller's sole and exclusive remedy for such default, shall be entitled to terminate this Contract by notice to Purchaser and receive the Earnest Money Deposit, it being agreed between Purchaser and Seller that such sum shall be liquidated damages for a default by Purchaser hereunder because of the difficulty, inconvenience, and uncertainty of ascertaining actual damages for such default.
10.4 **Attorney's Fees.** If it shall be necessary for either Purchaser or Seller to employ an attorney to enforce its rights pursuant to this Contract because of the default of the other party, the defaulting party shall reimburse the non-defaulting party for reasonable attorney's fees.

**ARTICLE 11.**

**MISCELLANEOUS**

11.1 **Casualty Loss.** All risk of loss to the improvements on the Property shall remain upon Seller prior to Closing. If prior to Closing, the improvements on the Property shall be damaged or destroyed by fire or other casualty, Purchaser shall still be obligated to close.

11.2 **Condemnation.** From the Effective Date through the Closing Date, Seller agrees to give Purchaser prompt notice of any actual or proposed taking or condemnation of all or any portion of the Property. If prior to the Closing there shall occur the actual or proposed taking or condemnation of all or any portion of the Property as would, in Purchaser's sole discretion, materially interfere with Purchaser's intended use thereof, then in any such event, Purchaser may at its option terminate this Contract by notice to Seller within thirty (30) days after Purchaser has received the notice referred to above or at the Closing, whichever is earlier.

11.3 **Brokerage Commission.** Seller agrees to pay a 3.0% Commission on the sales price at Closing to Charles R. Neff dba Texas Land & Homes, PO Box 773, Franklin, TX 77856, TREC License 0482799.

11.4 **No Assumption of Seller's Liabilities.** Purchaser is acquiring only the Property from Seller and is not the successor of Seller. Purchaser does not assume or agree to pay, or indemnify Seller or any other person or entity against, any liability, obligation or expense of Seller or relating to the Property in any way except only to the extent, if any, herein expressly and specifically provided.

11.5 **Notices.** All notices, demands, requests and other communications required or permitted hereunder shall be in writing, and shall be deemed to be delivered when actually received, or, if earlier and regardless of whether actually received (except where receipt is specified in this Contract), upon the later of (i) email transmission to the addressee at the email addresses set forth below or (ii) deposit in a regularly maintained receptacle for the United States mail, registered or certified, postage fully prepaid, addressed to the addressee at its address set forth below, or at such other address or telecopier number as such party may have specified theretofore by notice delivered in accordance with this Section and actually received by the addressee:

To Seller:

John Michael Jackson  
6727 Hillcrest Ave, Suite E  
Dallas, TX 75205-1304  
jmjjackson@sbcglobal.net
However, delivery of any communications to copied parties is merely in the spirit of good dealing and not required in order to satisfy the notice requirements under this Contract.

11.6 Governing Law; Venue. The laws of the State of Texas shall govern the validity, enforcement and interpretation of this Contract. The obligations of the parties are performable and venue for any legal action arising out of this Contract shall lie in Dallas County, Texas.

11.7 Integration; Modification; Waiver. This Contract constitutes the complete and final expression of the agreement of the parties relating to the Property, and supersedes all previous contracts, agreements, and understandings of the parties, either oral or written, relating to the Property. This Contract cannot be modified, or any of the terms hereof waived, except by an instrument in writing (referring specifically to this Contract) executed by the party against whom enforcement of the modification or waiver is sought.

11.8 Counterpart Execution. This Contract may be executed in several counterparts, each of which shall be fully effective as an original and all of which together shall constitute one and the same instrument.

11.9 Headings; Construction. The headings which have been used throughout this Contract have been inserted for convenience of reference only and do not constitute matter to be construed in interpreting this Contract. Words of any gender used in this Contract shall be held and construed to include any other gender and words in the singular number shall be held to include the plural, and vice versa, unless the context requires otherwise. The words "herein," "hereof," "hereunder" and other similar compounds of the words "here" when used in this Contract shall refer to the entire Contract and not to any particular provision or section. If the last day of any time period stated herein shall fall on a Saturday, Sunday or legal holiday, then the duration of such time period shall be extended so that it shall end on the next succeeding day which is not a Saturday, Sunday or legal holiday.

11.10 Invalid Provisions. If any one or more of the provisions of this Contract, or the applicability of any such provision to a specific situation, shall be held invalid or unenforceable, such provision shall be modified to the minimum extent necessary to make it or its application
valid and enforceable, and the validity and enforceability of all other provisions of this Contract and all other applications of any such provision shall not be affected thereby.

11.11 **Binding Effect; Assignment.** This Contract shall be binding upon and inure to the benefit of Seller and Purchaser, and their respective heirs, personal representatives, successors and assigns. Purchaser may assign its rights hereunder to any affiliate of Purchaser without consent from Seller. Upon acceptance of any such assignment, assignee shall assume Purchaser's obligations hereunder, provided, however, that Purchaser shall not be relieved of all duties and obligations hereunder. Except as expressly provided herein, nothing in this Contract is intended to confer on any person, other than the parties hereto and their respective heirs, personal representatives, successors and assigns, any rights or remedies under or by reason of this Contract.

11.12 **Further Acts.** In addition to the acts recited in this Contract to be performed by Seller and Purchaser, Seller and Purchaser agree to perform or cause to be performed at the Closing or after the Closing any and all such further acts as may be reasonably necessary to consummate the transactions contemplated hereby.

11.13 **Exhibits.** All references to Exhibits contained herein are references to Exhibits attached hereto, all of which are made a part hereof for all purposes the same as if set forth herein verbatim, it being expressly understood that if any Exhibit attached hereto which is to be executed and delivered at Closing contains blanks, the same shall be completed correctly and in accordance with the terms and provisions contained herein and as contemplated herein prior to or at the time of execution and delivery thereof.

11.14 **Effective Date.** The date of formation of this Contract (herein called the "Effective Date") shall for all purposes be the date of the signature of the last to sign of the parties hereto.

11.15 **Expiration.** The offer of Purchaser extended by the delivery of this Contract to Seller shall be automatically revoked unless Seller shall execute this Contract and deliver an executed copy of same to Purchaser at or before 6:00 p.m. on December 31, 2018.

11.16 **Rezoning.** Purchaser and Seller will work together in good faith to rezone the property for multifamily residential development.

11.17 **Seller’s Reservation of Minerals.** There is hereby reserved unto the Sellers herein, their successors, heirs, and assigns, and any other person or persons entitled to mineral interests with the Sellers, their successors, heirs, and assigns, forever, all of the oil, gas, and associated liquifiable hydrocarbons, and sulphur produced in conjunction with the production of oil, gas, and associated hydrocarbons, in, on, under, and that may be produced from the Property described in this Contract, PROVIDED, HOWEVER, that (a) neither the Sellers herein, nor their successors, heirs, or assigns, shall have any right of use, occupancy or ingress or egress upon the surface of the Property for any purpose, including the purpose of finding, producing, saving, treating, storing and/or removing any such oil, gas, other liquid or liquifiable hydrocarbons or sulphur produced in conjunction therewith, in, on, and under the above described property or any part thereof, and there shall be no subsurface entry thereon except by directional drilling conducted on other property adjacent to the real property described in this Contract. The excepted and reserved interest is subject to any valid, recorded oil and gas and other mineral lease or leases.
which cover said interest, but covers and includes all delay rentals and royalties, and any other
rights and payments due or to become due or which may hereafter be payable or paid under the
terms of said lease or leases to the lessor therein, their heirs, successors and assigns, insofar as any
such lease or leases cover all or any part of the real property described herein. Upon termination
of any and/or all of such leases as to any real property described herein, the interest of said lessee,
their heirs, successors and assigns, shall revert to the Sellers herein, their heirs, successors and
assigns.

11.18 City Limits. The Property is located within the incorporated area of the City of
Franklin, and Seller will provide proof of such within 30 days of the Effective Date of this
Contract.
IN WITNESS WHEREOF, the parties have executed this Contract as of the date set forth below.

**SELLER:**

[Signature]

John Michael Jackson

Date Signed by Seller: **December 28**, 2018

John Carson Mitchell, III

Clyde Carson Jackson, Jr

**PURCHASER:**

Date Signed by Purchaser: 

4C DEVELOPMENT - TEXAS, LLC, a Texas Limited Liability Company

By: 

Name: J. Ryan Hamilton

Title: Presiding Manager
IN WITNESS WHEREOF, the parties have executed this Contract as of the date set forth below.

SELLER:

__________________________
John Michael Jackson

_Date Signed by Seller:_
12-28, 2018

John Carson Mitchell, III

Clyde Carson Jackson, Jr

PURCHASER:

_Date Signed by Purchaser:_
4C DEVELOPMENT - TEXAS, LLC.
2018

a Texas Limited Liability Company

By: _________________________

_Name: L Ryan Hamilton_

_Title: Presiding Manager_
IN WITNESS WHEREOF, the parties have executed this Contract as of the date set forth below.

SELLER:

[Signature]
John Michael Jackson

Date Signed by Seller:
December 28, 2018

John Carson Mitchell, III

[Signature]
Clyde Carson Jackson, Jr

Date Signed by Purchaser:
__________________________, 2018

PURCHASER:

4C DEVELOPMENT - TEXAS, LLC,
a Texas Limited Liability Company

By: _________________________

Name: J. Ryan Hamilton

Title: Presiding Manager
IN WITNESS WHEREOF, the parties have executed this Contract as of the date set forth below.

SELLER:

_________________________________________________________
John Michael Jackson

Date Signed by Seller: _______________________________ 2018

_________________________________________________________
John Carson Mitchell, III

_________________________________________________________
Clyde Carson Jackson, Jr

PURCHASER:

Date Signed by Purchaser: _______________________________ 2018

4C DEVELOPMENT - TEXAS, LLC,
a Texas Limited Liability Company

By: _______________________________

Name: J. Ryan Hamilton
Title: Presiding Manager
RECEIPT OF EARNEST MONEY DEPOSIT
AND AGREEMENT OF TITLE COMPANY

____________________ hereby acknowledges the receipt of the following:

(i) one (1) fully signed and executed copy of this Contract; and

(ii) the Initial Consideration in the amount of $6,000 shall be delivered directly to the Seller.

The Title Company hereby agrees to hold the Additional Earnest Money Deposits in escrow as contemplated by this Contract and to dispose of such funds in strict accordance with the terms and provisions of this Contract.

By: ________________________________
Name (Print): _________________________
Title: ______________________________
Company: __________________________
Date _______________________________
[Exhibit A]
Census Tract Map
Franklin Trails

Source: https://www.huduser.gov/portal/sadda/sadda_qct.html