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

Application Number: 19340
Submitted Date: 1/8/2019 10:09PM
Submitted By: Sarah Anderson

Contact Information

Primary Contact: Tom Deloye
5300 E. Paisano Road
El Paso, TX 79905
Phone: 915-849-3813
Email: tdeloye@hacep.org

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

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

Development Information

Name of Proposed Entity: EP Montana Manor, LP
Development Name: Nuestra Senora
Development Type: New Construction
Secondary Type: None
Previous TDHCA #: None
Initial Construction Year: 0
Units Demolished: 0
Units Reconstructed: 1
# of Non-Contiguous Sites: 0
# of Census Tracts: 1
Target Population: General
Development Address: Block at 405 Montana Ave
El Paso, TX 79902
ETJ?: N
County: El Paso
Region: 13
Rural/Urban: Urban
Census Tracts: 48141001600
Total LI Units: 120
Total MR Units: 0
Total Units: 120
HTC Request: $1,500,000.00
Pre-App Fee Due: $1,200.00
Has Fee already been submitted?: No
Name on Check: 
Check Number: 
Set-Aside Election: Nonprofit

Notifications

U.S. Representative: Veronica Escobar
State Senator: Jose Rodriguez
State Representative: Lina Ortega
District: 16
District: 29
District: 77
Competitive Housing Tax Credit Selection Self-Score

Criteria Promoting Development of High Quality Housing

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></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>
<td>2</td>
</tr>
<tr>
<td>High Quality Housing Total:</td>
<td>17</td>
</tr>
</tbody>
</table>

Criteria to Serve and Support Texans Most in Need

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Income Levels of Tenants:</td>
<td>16</td>
</tr>
<tr>
<td>Rent Levels of Tenants:</td>
<td>11</td>
</tr>
<tr>
<td>Tenant Services:</td>
<td>10</td>
</tr>
<tr>
<td>Opportunity Index:</td>
<td>0</td>
</tr>
<tr>
<td>Underserved Area:</td>
<td>0</td>
</tr>
<tr>
<td>Tenant Populations with Special Housing Needs:</td>
<td>2</td>
</tr>
<tr>
<td>Proximity to the Urban Core:</td>
<td>5</td>
</tr>
<tr>
<td>Serve and Support Texans Most in Need Total:</td>
<td>44</td>
</tr>
</tbody>
</table>

Criteria Promoting Community Support and Engagement

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Commitment of Development Funding by Local Political Subdivision:</td>
<td>1</td>
</tr>
<tr>
<td>Declared Disaster Area:</td>
<td>0</td>
</tr>
<tr>
<td>Community Support and Engagement Total:</td>
<td>1</td>
</tr>
</tbody>
</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: 105

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

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

Attachments and Certifications

Site Control Documentation: Site Control_Nuestra Senora_executed.pdf
Census Tract Map: census nuestra senora.pdf
Neighborhood Risk Factors:
Other Pertinent Information:
Option Agreement for Purchase of Real Property

This Option Agreement for Purchase of Real Property (the “Agreement”) is made and entered into this 31st day of December 2018 (the “Execution Date”), by and between ASLM Limited, located at 804 Cherry Hill Ln., El Paso, Texas 79912, hereinafter referred to as the “Seller” and Housing Authority of the City of El Paso, a Texas municipal housing authority, and whose principal address is 5300 E. Paisano, El Paso, Texas 79905 and hereinafter referred to as the “Purchaser”:

Recitals

Whereas, Seller is the fee simple owner of certain real property and improvements being, lying and situated in El Paso County, Texas as set forth below

<table>
<thead>
<tr>
<th>Property</th>
<th>Legal Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>400 E. Rio Grande, El Paso, Texas</td>
<td>266 CAMPBELL 11 &amp; 12 (6344.00 SQ FT)</td>
</tr>
<tr>
<td>416 Rio Grande Ave., El Paso, Texas</td>
<td>266 CAMPBELL 7 TO 10 (12480.00 SQ FT)</td>
</tr>
<tr>
<td>415 Montana Ave, El Paso, Texas</td>
<td>266 CAMPBELL 1 TO 6 (18720.00 SQ FT)</td>
</tr>
<tr>
<td>405 Montana Ave., El Paso, Texas</td>
<td>266 CAMPBELL 16 to 20 &amp; S 1/2 OF 15 (17,160 SQ FT)</td>
</tr>
</tbody>
</table>

(with the foregoing real properties and improvements collectively referred to herein as the “Property”), with the Property further indicated on the map which is set forth in Exhibit “A”, attached hereto and incorporated herein, and described in the legal descriptions in Exhibit “B”, also attached hereto and incorporated herein;

Whereas, Purchaser desires to procure an option to purchase the Property upon the terms and provisions as hereinafter set forth;

Whereas, Purchaser desires an option to purchase the Property for future development of residential housing and/or any other lawful purpose (the “Purpose”):

Now, therefore, for good and valuable consideration the receipt and sufficiency of which is hereby acknowledged by the parties hereto and for the mutual covenants contained herein, Seller and Purchaser hereby agree as follows:

1. Definitions. For the purposes of this Agreement, in addition to those terms defined above, the following terms shall have the following meanings:

(a) “Execution Date” shall mean the day referenced above in which the parties execute this Agreement;

(b) “Feasibility Period” shall mean that period commencing on the Execution Date and ending on March 31, 2019;

(c) “Independent Consideration” shall mean the total sum of ONE HUNDRED AND NO/00 DOLLARS ($100.00) payable to Seller on the Execution Date which is the amount the parties have bargained for and agreed to as consideration for
Seller's grant to Buyer of Buyer's exclusive option to purchase the Property pursuant to the terms hereof and for Seller's execution of this Agreement.

(d) "Option Fee" shall mean the total sum of a down payment of FIVE THOUSAND AND NO/00 DOLLARS ($5,000.00), a non-refundable payment to be made payable directly to Seller within five (5) business days of execution of this Agreement;

(e) "Option Term" shall mean that period of time commencing on the Execution Date and ending on March 31, 2019, unless extended by one or more Extension Terms as provided by Section 12 below;

(f) "Option Exercise Date" shall mean that date, within the Option Term, upon which the Purchaser shall send its written notice to Seller exercising its Option to Purchase; and

(g) "Closing Date" shall mean the date selected by Purchaser that is sixty (60) days or fewer from the Option Exercise Date.

2. Feasibility Period. During the Feasibility Period, Seller agrees to permit Purchaser, its employees, representatives, insurers, and agents reasonable access to the Property in order to perform inspections of the Property to ensure it is suitable for the Purchaser's needs, including but not limited to, at the Purchaser's sole expense, conducting one or more surveys, appraisals, design studies or assessments, conducting environmental studies, order soil boring and laboratory tests, and/or testing for hazardous materials. In addition, during the Feasibility Period, upon request of Purchaser, Seller agrees to provide copies of any surveys, environment studies, designs, site plans, or archeological studies in its possession or control regarding the Property.

3. Grant of Exclusive Option. In consideration of the Option Fee payable to Seller as set forth herein, Seller does hereby grant to Purchaser the exclusive right and Option ("Option") to purchase the Property upon the terms and conditions as set forth herein. If the Option Term is extended pursuant to Section 12 below, Seller continues to grant to Purchaser the exclusive right and Option to purchase the Property upon the terms and conditions as set forth herein.

4. Payment of Option Fee. Purchaser agrees to pay the Seller as the Option Fee in a single payment in the amount specified in Section 1(d) above within fifteen (15) business days of the commencement of the Option Term. The Option Fee shall be deposited in escrow with WestStar Title, El Paso, Texas, acting as escrow agent, to be released to Seller upon WestStar Title's receipt of written request from Seller for same.

5. Exercise of Option. Purchaser may exercise its exclusive right to purchase the Property pursuant to the Option, at any time during the Option Term by giving written notice thereof to Seller. As provided for above, the date of sending of said notice shall be the Option Exercise Date.

6. Contract for Purchase and Sale of Real Property. In the event that the Purchaser exercises its exclusive Option as provided for herein, Seller agrees to sell and Purchaser agrees to
buy the Property and both parties agree to execute a contract (the “Contract”) for such purchase and sale of the Property in accordance with the following terms and conditions:

(a) **Purchase Price.** The total purchase price for the Property shall be the sum of ONE MILLION SEVEN HUNDRED THOUSAND AND NO/00 DOLLARS ($1,700,000.00) (the “Purchase Price”); however, Purchaser shall receive credit towards the Purchase Price for any Extension Term Fees paid by Purchaser as noted in Section 12 below;

(b) **Closing Date.** The Closing Date shall be on or before the time set forth in Section 1(g) above;

(c) **Closing Costs.** Unless otherwise provided herein or already paid outside of Closing, at Closing, Seller agrees to pay the costs for:

(i) the base premium for the title policy;
(ii) Special Warranty Deed preparation;
(iii) Tax certificates;
(iv) The cost of the survey; and
(v) One-half (1/2) of the escrow fee charged by the title company selected by Purchaser.

Purchaser agrees to pay:

(i) One-half (1/2) of the escrow fee charged by the title company selected by Purchaser;
(ii) Recording fees for the Special Warranty Deed;
(iii) Costs related to additional due diligence studies ordered by Buyer;
(iv) Any endorsements or extended coverage to the title policy; and
(v) Any Roll-Back Taxes, if and as applicable to a Purchaser that is a governmental entity and exempt from payment of property taxes in Texas or if applicable to the Seller. Seller shall not pay any Roll-Back Taxes under any circumstances.

All other costs and expenses incurred in connection with this Agreement that are not recited herein to be the obligation of Seller or Purchaser shall be allocated among Seller and Purchaser as is customary in El Paso County, Texas. Except as provided in Section 13(g), each party shall its own attorneys’ fees.

(d) **Default by Purchaser; Remedies of Seller.** In the event Purchaser, after exercise of the Option, fails to proceed with the closing of the purchase of the Property pursuant to the terms and provisions as contained herein and/or under the Contract, Seller shall be entitled to retain the Option Fee or any Section 12 extension fees deposited with WestStar Title as liquidated damages and shall have no further recourse against Purchaser; and

(e) **Default by Seller; Remedies of Purchaser.** In the event Seller fails to close the sale of the Premises pursuant to the terms and provisions of this Agreement and/or
under the Contract, Purchaser shall be entitled, at its sole discretion, to either sue for
specific performance of the real estate purchase and sale contract or terminate such
Contract and sue for money damages, including, but not limited to the return of the Option
Fee paid.

7. Inspection of the Property. During the Feasibility Period and Option Term,
including the duration of any Option Term extended pursuant to Section 12 below, Seller agrees
to permit Purchaser, its employees, representatives, insurers, contractors, and agents reasonable
access to the Property in order to perform inspections of the Property to ensure it is suitable for the
Purchaser’s needs, including but not limited to, at the Purchaser’s sole expense, conducting one or
more surveys, appraisals, design studies or assessments, conducting environmental studies, order
soil boring and laboratory tests, testing for hazardous materials and/or studies or reports necessary
to obtain approvals from the U.S. Department of Housing and Urban Development, Texas
Department of Housing and Community Affairs, historic tax credit agencies, and/or any other
federal, state, tribal, or local agency or body for the intended development of the Property.

8. Seller’s Obligations. Seller is solely responsible for all care, maintenance, taxes
and liabilities associated with the Property through the Closing Date, if any. After the Execution
Date and until the Closing, Seller shall maintain the Property in the same condition and in the same
manner as existing on the Execution Date, ordinary wear and casualty loss excepted. All risk of
loss to the Property shall remain upon Seller prior to the Closing. The parties further agree that if
the Property or improvements thereon, if any, are materially damaged or destroyed at any time
after the execution of this Agreement and prior to the Closing, Seller shall have a reasonable time
in which to repair or reconstruct the same. If Seller fails to do so within a reasonable time,
Purchaser may, at its option, undertake such repairs or reconstruction and Seller agrees to
reimburse Purchaser for the full cost thereof at the Closing, or, alternatively, at the option of
Purchaser, all obligations of the parties under this Agreement shall terminate, and the parties agree
that Purchaser shall be refunded any and all amounts previously paid to Seller pursuant to this
Agreement.

9. Closing Obligations. At the Closing, the parties agree that, among other
obligations to be memorialized in a written purchase agreement, Seller shall deliver or cause to be
delivered to Purchaser, at Seller’s sole cost and expense, each of the following items:

(a) a survey by a registered professional land surveyor acceptable to the
Purchaser and its selected title company;

(b) a general warranty deed, duly executed and acknowledged by Seller, in
recordable form, conveying the Property in fee simple according to the legal description
prepared by the surveyor as shown on the survey, subject only to ordinary permitted
exceptions existing as of the Execution Date, excluding any liens or judgments, which will
never be permitted exceptions;

(c) a title policy in the full amount of the Purchase Price issued by a title
company selected by Purchaser, subject only to permitted exceptions as provided above
and insuring indefeasible fee simple title is vested in Purchaser;
(d) such evidence or documents as may be reasonably required by Purchaser or the title company evidencing the status and capacity of the Seller and the authority of the person or persons who are executing any documents on behalf of the Seller in connection with the sale of the Property; and

(e) relocation of any and all tenants of the Property, at Seller’s expense (or an agreement to relocate any such tenants in a form acceptable to Purchaser).

10. **Seller’s Representations and Warranties.** Seller represents and warrants to Purchaser:

(a) As of the Execution Date and Closing Date, (A) Seller is an individual, (B) Seller is, to the extent required by law, duly qualified to do business in the State of Texas, (C) Seller has all power and authority necessary for it to execute and deliver this Agreement and perform its obligations hereunder, and (D) the execution, delivery and performance of this Agreement by Seller does not conflict with or constitute a breach of any contract, agreement or other instrument by which Seller or any property is bound;

(b) As of the Execution Date and Closing Date, Seller is not (A) a “foreign person,” as such term is defined in Section 1445(f)(3) of the Internal Revenue Code of 1954, as amended, or (B) a “disregarded entity” as such term is defined in Section 1.1445-2(b)(2)(iii) of the Code of Federal Regulations;

(c) As of the Execution Date and Closing Date, Seller has not (A) filed any voluntary petition in bankruptcy or sought to reorganize his affairs under the Bankruptcy Code of the United States or any other federal, state or local law related to bankruptcy, insolvency or relief for debtors in the last thirty (30) years, (B) been adjudicated as bankrupt or insolvent, or (C) had an involuntary petition filed against him under the Bankruptcy Code of the United States or any other federal, state or local law related to bankruptcy, insolvency or relief for debtors;

(d) As of the Execution Date, to Seller's knowledge, there are no pending condemnation proceedings affecting the Property;

(e) As of the Execution Date, (A) Seller is not a party to any pending lawsuits affecting the Property, and (B) Seller has not received written notice from any governmental authority that the Property is in violation of legal requirements;

(f) As of the Execution Date and Closing Date, the Property is not subject to any unrecorded leases, contacts or agreements that would be binding on Purchaser except the lease(s) noted on Exhibit “C” hereto;

(g) As of the Execution Date and Closing Date, Seller has not entered into any contracts with any person, firm or entity, other than Purchaser to purchase or otherwise acquire or possess the Property or any part thereof; and
(h) As of the Execution Date and Closing Date Seller is vested with marketable fee simple title to the Property and there are no parties in possession of any portion of the Property as lessees, tenants or otherwise.

In the event items (d) and (e) are not also accurate as of the Closing Date, Purchaser may terminate this Agreement and receive a return of the entire Option Fee.

11. **Brokers’ Fee.** If Purchaser exercises its Option and the sale and purchase of the Property closes, Seller agrees to pay to SVN Fortune Real Estate (as broker to Purchaser) and Team Uribe (as broker to Seller) (collectively the “Brokers”), a commission in cash equal to a total of six percent (6.00%) of the Purchase Price, which commission shall be split equally between the foregoing Brokers and paid by Seller at the Closing.

Each party represents and warrants to the other party that such party has had no dealings with any person, firm, agent of finder in connection with the negotiation of this Agreement and/or the consummation of the purchase and sale contemplated herein, other than the Brokers named herein, and no other broker, agent, person, firm or entity, other than Brokers is entitled to any commission or finder’s fee in connection with this transaction as the result of any dealings or acts of such party. Each party hereby agrees to indemnify, defend, protect and hold the other party harmless from and against any costs, expenses or liability for compensation, commission, fee, or charges which may be claimed by any agent, finder or other similar party, other than Brokers by reason of any dealings or act of the indemnifying party.

12. **Extension Terms of the Option Term.** Purchaser may, at its discretion and for any reason, extend the Option Term set forth in Section 1(e) above (“Extension Terms”) by payment of a non-refundable fee of THREE THOUSAND AND NO/100 DOLLARS ($3,000.00) from Purchaser to Seller for each such Extension Term (the “Extension Term Fee”) as follows:

(a) A first extension of the Option Term by two months, that is from the expiration of the Option Term set forth above on March 31, 2019 to May 31, 2019, by payment of an Extension Term Fee on or before March 31, 2019;

(b) A second extension of the Option Term by two months, that is from May 31, 2019 to July 31, 2019, by payment of an Extension Term Fee on or before July 31, 2019;

(c) A third extension of the Option Term by two months, that is from July 31, 2019 to September 30, 2019, by payment of an Extension Term Fee on or before July 31, 2019;

(d) A fourth extension of the Option Term by two months, that is from September 30, 2019 to November 30, 2019, by payment of an Extension Term Fee on or before September 30, 2019;
A fifth extension of the Option Term by two month, that is from November 30, 2019 to January 31, 2020, by payment of an Extension Term Fee on or before November 30, 2019.

The Extension Term Fees paid above, if any, shall be credited against the Purchase Price stated in Paragraph 6(a) above. The Extension Term Fees shall be made payable to WestStar Title as escrow agent for this transaction.


(a) Execution by Both Parties. This Agreement shall not become effective and binding until fully executed by both Purchaser and Seller.

(b) Notice. All notices, demands and/or consents provided for in this Agreement shall be in writing and shall be delivered to the parties hereto by hand or by United States Mail with postage pre-paid. Such notices shall be deemed to have been served on the date mailed, postage pre-paid. All such notices and communications shall be addressed to the parties at the following addresses:

Seller:
ASLM Limited
804 Cherry Hill Ln.
El Paso, Texas 79912
Tel:
Fax:
Email:

Purchaser:
Gerald Cichon, Chief Executive Officer
Housing Authority of the City of El Paso
5300 E. Paisano Dr., El Paso, Texas 79905
Tel: 915.849.3702
Email: gcichon@hacep.org and asaenz@hacep.org
With a Copy delivered to:

Tom Deloye, Chief RAD Officer
Arthur Provengh, Legal Counsel
Housing Authority of the City of El Paso
5300 E. Paisano Dr., El Paso, Texas 79905
Tel: 915.849.3709
Email: aprovengh@hacep.org and tdeloye@hacep.org

(c) Governing Law, Venue for Disputes. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas. Any dispute regarding this Agreement or the transaction contemplated herein shall be brought and maintained at all times in El Paso County, Texas.
(d) **Successors and Assigns.** This Agreement shall apply to, inure to the benefit of and be binding upon and enforceable against the parties hereto and their respective heirs, successors, and or assigns, to the extent as if specified at length throughout this Agreement. Seller agrees that Purchaser may fully assign its rights under this Agreement to any affiliated person or entity, or to any third party, including a private or governmental entity.

(e) **Time.** Time is of the essence of this Agreement.

(f) **Headings.** The headings inserted at the beginning of each paragraph and/or subparagraph are for convenience of reference only and shall not limit or otherwise affect or be used in the construction of any terms or provisions hereof.

(g) **Attorneys’ Fees.** Any signatory to this Agreement who is the prevailing party against any other signatory in any legal proceeding brought under or with relation to this Agreement or sale transaction shall be additionally entitled to recover from the non-prevailing party court costs, reasonable attorneys' fees, and all other litigation expenses, including deposition, travel, and expert witness costs and fees.

(h) ** Entire Agreement.** This Agreement and subsequent Contract contains all of the terms, promises, covenants, conditions and representations made or entered into by or between Seller and Purchaser and supersedes all prior discussions and agreements whether written or oral between Seller and Purchaser with respect to the Option and all other matters contained herein and constitutes the sole and entire agreement between Seller and Purchaser with respect thereto. This Agreement may not be modified or amended unless such amendment is set forth in writing and executed by both Seller and Purchaser with the formalities hereof.

(i) **Special Condition to Exercise Option.** Purchaser and Seller acknowledge and agree that the exercise of the Option is expressly conditioned on Purchaser obtaining: (i) written determination, on the basis of a federally required environmental review (and an approval of the request for release of funds and approval of the responsible entity’s certification, if applicable) that the purchase of the Property may proceed in accordance with 24 CFR Part 58 or 24 CFR Part 50, as applicable; (ii) all necessary approvals from the U.S. Department of Housing and Urban Development including but not limited to a site and neighborhood standards review, and Purchaser will not exercise the Option unless the foregoing conditions are satisfied.

[remainder of page intentionally left blank; signatures on following page]
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed under proper authority on the Execution Date of December 31, 2018.

SELLER: ASLM Limited

By: ____________________________
    Susan Daw

PURCHASER: Housing Authority of the City of El Paso

By: ______________________________
    Gerald W. Cichon, Chief Executive Officer
Exhibit “A”

(Map)
Exhibit “B”

(Legal Description)
Exhibit “C”

(Leases at the Property)
Option Agreement for Purchase of Real Property

This Option Agreement for Purchase of Real Property (the "Agreement") is made and entered into this 4th day of January 2019 (the "Execution Date"), by and between Jorge M. Sanchez, 2900 Pershing, Suite C, El Paso, Texas 79903, hereinafter referred to as the "Seller" and Housing Authority of the City of El Paso, a Texas municipal housing authority, and whose principal address is 5300 E. Paisano, El Paso, Texas 79905 and hereinafter referred to as the "Purchaser".

Recitals

Whereas, Seller is the fee simple owner of certain real property and improvements being, lying and situated in El Paso County, Texas as set forth below

<table>
<thead>
<tr>
<th>Property</th>
<th>Legal Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>910 N. Kansas, El Paso, Texas</td>
<td>266 CAMPBELL S 17,333 FT OF 14 &amp; N 1/2 OF 15 (369,600 SQ FT)</td>
</tr>
</tbody>
</table>

(with the foregoing real properties and improvements collectively referred to herein as the "Property"), with the Property further indicated on the map which is set forth in Exhibit "A", attached hereto;

Whereas, Purchaser desires to procure an option to purchase the Property upon the terms and provisions as hereinafter set forth;

Whereas, Purchaser desires an option to purchase the Property for future development of residential housing and/or any other lawful purpose (the "Purpose");

Now, therefore, for good and valuable consideration the receipt and sufficiency of which is hereby acknowledged by the parties hereto and for the mutual covenants contained herein, Seller and Purchaser hereby agree as follows:

1. Definitions. For the purposes of this Agreement, in addition to those terms defined above, the following terms shall have the following meanings:

   (a) "Execution Date" shall mean the day referenced above in which the parties execute this Agreement;

   (b) "Feasibility Period" shall mean that period commencing on the Execution Date and ending on March 31, 2019;

   (c) "Independent Consideration" shall mean the total sum of ONE HUNDRED AND NO/00 DOLLARS ($100.00) payable to Seller on the Execution Date which is the amount the parties have bargained for and agreed to as consideration for Seller’s grant to Buyer of Buyer’s exclusive option to purchase the Property pursuant to the terms hereof and for Seller’s execution of this Agreement.
(d) "Option Fee" shall mean the total sum of a down payment of TWO THOUSAND AND NO/00 DOLLARS ($2,000.00), a non-refundable payment to be made payable directly to Seller within fifteen (15) business days of execution of this Agreement;

(e) "Option Term" shall mean that period of time commencing on the Execution Date and ending on March 31, 2019, unless extended by one or more Extension Terms as provided by Section 12 below;

(f) "Option Exercise Date" shall mean that date, within the Option Term, upon which the Purchaser shall send its written notice to Seller exercising its Option to Purchase; and

(g) "Closing Date" shall mean the date selected by Purchaser that is sixty (60) days or fewer from the Option Exercise Date.

2. **Feasibility Period.** During the Feasibility Period, Seller agrees to permit Purchaser, its employees, representatives, insurers, and agents reasonable access to the Property in order to perform inspections of the Property to ensure it is suitable for the Purchaser’s needs, including but not limited to, at the Purchaser’s sole expense, conducting one or more surveys, appraisals, design studies or assessments, conducting environmental studies, order soil boring and laboratory tests, and/or testing for hazardous materials. In addition, during the Feasibility Period, upon request of Purchaser, Seller agrees to provide copies of any surveys, environment studies, designs, site plans, or archeological studies in its possession or control regarding the Property.

3. **Grant of Exclusive Option.** In consideration of the Option Fee payable to Seller as set forth herein, Seller does hereby grant to Purchaser the exclusive right and Option ("Option") to purchase the Property upon the terms and conditions as set forth herein. If the Option Term is extended pursuant to Section 12 below, Seller continues to grant to Purchaser the exclusive right and Option to purchase the Property upon the terms and conditions as set forth herein.

4. **Payment of Option Fee.** Purchaser agrees to pay the Seller as the Option Fee in a single payment in the amount specified in Section 1(d) above within fifteen (15) business days of the commencement of the Option Term. The Option Fee shall be deposited in escrow with WestStar Title, El Paso, Texas, acting as escrow agent, to be released to Seller upon WestStar Title’s receipt of written request from Seller for same.

5. **Exercise of Option.** Purchaser may exercise its exclusive right to purchase the Property pursuant to the Option, at any time during the Option Term by giving written notice thereof to Seller. As provided for above, the date of sending of said notice shall be the Option Exercise Date.

6. **Contract for Purchase and Sale of Real Property.** In the event that the Purchaser exercises its exclusive Option as provided for herein, Seller agrees to sell and Purchaser agrees to buy the Property and both parties agree to execute a contract (the "Contract") for such purchase and sale of the Property in accordance with the following terms and conditions:
(a) **Purchase Price.** The total purchase price for the Property shall be the sum of TWO HUNDRED TWENTY-FIVE THOUSAND AND NO/00 DOLLARS ($225,000.00) (the "**Purchase Price**"); however, Purchaser shall receive credit towards the Purchase Price for any Extension Term Fees paid by Purchaser as noted in **Section 12** below;

(b) **Closing Date.** The Closing Date shall be on or before the time set forth in **Section 1(g)** above;

(c) **Closing Costs.** Unless otherwise provided herein or already paid outside of Closing, at Closing, Seller agrees to pay the costs for:
   (i) the base premium for the title policy;
   (ii) Special Warranty Deed preparation;
   (iii) Tax certificates;
   (iv) The cost of the survey; and
   (v) One-half (1/2) of the escrow fee charged by the title company selected by Purchaser.

Purchaser agrees to pay:
   (i) One-half (1/2) of the escrow fee charged by the title company selected by Purchaser;
   (ii) Recording fees for the Special Warranty Deed;
   (iii) Costs related to additional due diligence studies ordered by Buyer;
   (iv) Any endorsements or extended coverage to the title policy; and
   (v) Any Roll-Back Taxes, if and as applicable to a Purchaser that is a governmental entity and exempt from payment of property taxes in Texas or if applicable to the Seller. Seller shall not pay any Roll-Back Taxes under any circumstances.

All other costs and expenses incurred in connection with this Agreement that are not recited herein to be the obligation of Seller or Purchaser shall be allocated among Seller and Purchaser as is customary in El Paso County, Texas. Except as provided in **Section 13(g)**, each party shall its own attorneys' fees.

(d) **Default by Purchaser; Remedies of Seller.** In the event Purchaser, after exercise of the Option, fails to proceed with the closing of the purchase of the Property pursuant to the terms and provisions as contained herein and/or under the Contract, Seller shall be entitled to retain the Option Fee or any Section 12 extension fees deposited with WestStar Title as liquidated damages and shall have no further recourse against Purchaser; and

(e) **Default by Seller; Remedies of Purchaser.** In the event Seller fails to close the sale of the Premises pursuant to the terms and provisions of this Agreement and/or under the Contract, Purchaser shall be entitled, at its sole discretion, to either sue for specific performance of the real estate purchase and sale contract or terminate such
Contract and sue for money damages, including, but not limited to the return of the Option Fee paid.

7. **Inspection of the Property.** During the Feasibility Period and Option Term, including the duration of any Option Term extended pursuant to Section 12 below, Seller agrees to permit Purchaser, its employees, representatives, insurers, contractors, and agents reasonable access to the Property in order to perform inspections of the Property to ensure it is suitable for the Purchaser's needs, including but not limited to, at the Purchaser's sole expense, conducting one or more surveys, appraisals, design studies or assessments, conducting environmental studies, order soil boring and laboratory tests, testing for hazardous materials and/or studies or reports necessary to obtain approvals from the U.S. Department of Housing and Urban Development, Texas Department of Housing and Community Affairs, historic tax credit agencies, and/or any other federal, state, tribal, or local agency or body for the intended development of the Property.

8. **Seller's Obligations.** Seller is solely responsible for all care, maintenance, taxes and liabilities associated with the Property through the Closing Date, if any. After the Execution Date and until the Closing, Seller shall maintain the Property in the same condition and in the same manner as existing on the Execution Date, ordinary wear and casualty loss excepted. All risk of loss to the Property shall remain upon Seller prior to the Closing. The parties further agree that if the Property or improvements thereon, if any, are materially damaged or destroyed at any time after the execution of this Agreement and prior to the Closing, Seller shall have a reasonable time in which to repair or reconstruct the same. If Seller fails to do so within a reasonable time, Purchaser may, at its option, undertake such repairs or reconstruction and Seller agrees to reimburse Purchaser for the full cost thereof at the Closing, or, alternatively, at the option of Purchaser, all obligations of the parties under this Agreement shall terminate, and the parties agree that Purchaser shall be refunded any and all amounts previously paid to Seller pursuant to this Agreement.

9. **Closing Obligations.** At the Closing, the parties agree that, among other obligations to be memorialized in a written purchase agreement, Seller shall deliver or cause to be delivered to Purchaser, at Seller's sole cost and expense, each of the following items:

   (a) a survey by a registered professional land surveyor acceptable to the Purchaser and its selected title company;

   (b) a general warranty deed, duly executed and acknowledged by Seller, in recordable form, conveying the Property in fee simple according to the legal description prepared by the surveyor as shown on the survey, subject only to ordinary permitted exceptions existing as of the Execution Date, excluding any liens or judgments, which will never be permitted exceptions;

   (c) a title policy in the full amount of the Purchase Price issued by a title company selected by Purchaser, subject only to permitted exceptions as provided above and insuring indefeasible fee simple title is vested in Purchaser;
(d) such evidence or documents as may be reasonably required by Purchaser or the title company evidencing the status and capacity of the Seller and the authority of the person or persons who are executing any documents on behalf of the Seller in connection with the sale of the Property; and

(e) relocation of any and all tenants of the Property, at Seller’s expense (or an agreement to relocate any such tenants in a form acceptable to Purchaser).

10. Seller’s Representations and Warranties. Seller represents and warrants to Purchaser:

(a) As of the Execution Date and Closing Date, (A) Seller is an individual, (B) Seller is, to the extent required by law, duly qualified to do business in the State of Texas, (C) Seller has all power and authority necessary for it to execute and deliver this Agreement and perform its obligations hereunder, and (D) the execution, delivery and performance of this Agreement by Seller does not conflict with or constitute a breach of any contract, agreement or other instrument by which Seller or any property is bound;

(b) As of the Execution Date and Closing Date, Seller is not (A) a “foreign person,” as such term is defined in Section 1445(f)(3) of the Internal Revenue Code of 1954, as amended, or (B) a “disregarded entity” as such term is defined in Section 1.1445-2(b)(2)(iii) of the Code of Federal Regulations;

(c) As of the Execution Date and Closing Date, Seller has not (A) filed any voluntary petition in bankruptcy or sought to reorganize his affairs under the Bankruptcy Code of the United States or any other federal, state or local law related to bankruptcy, insolvency or relief for debtors in the last thirty (30) years, (B) been adjudicated as bankrupt or insolvent, or (C) had an involuntary petition filed against him under the Bankruptcy Code of the United States or any other federal, state or local law related to bankruptcy, insolvency or relief for debtors;

(d) As of the Execution Date, to Seller’s knowledge, there are no pending condemnation proceedings affecting the Property;

(e) As of the Execution Date, (A) Seller is not a party to any pending lawsuits affecting the Property, and (B) Seller has not received written notice from any governmental authority that the Property is in violation of legal requirements;

(f) As of the Execution Date and Closing Date, the Property is not subject to any unrecorded leases, contacts or agreements that would be binding on Purchaser except the lease(s) noted on Exhibit “B” hereto;

(g) As of the Execution Date and Closing Date, Seller has not entered into any contracts with any person, firm or entity, other than Purchaser to purchase or otherwise acquire or possess the Property or any part thereof; and
(h) As of the Execution Date and Closing Date Seller is vested with marketable fee simple title to the Property and there are no parties in possession of any portion of the Property as lessees, tenants or otherwise.

In the event items (d) and (e) are not also accurate as of the Closing Date, Purchaser may terminate this Agreement and receive a return of the entire Option Fee.

11. **Brokers' Fee.** If Purchaser exercises its Option and the sale and purchase of the Property closes, Seller agrees to pay to SVN Fortune Real Estate (as broker to Purchaser) and Team Uribe (as broker to Seller) (collectively the “Brokers”), a commission in cash equal to a total of six percent (6.00%) of the Purchase Price, which commission shall be split equally between the foregoing Brokers and paid by Seller at the Closing.

Each party represents and warrants to the other party that such party has had no dealings with any person, firm, agent of finder in connection with the negotiation of this Agreement and/or the consummation of the purchase and sale contemplated herein, other than the Brokers named herein, and no other broker, agent, person, firm or entity, other than Brokers is entitled to any commission or finder's fee in connection with this transaction as the result of any dealings or acts of such party. Each party hereby agrees to indemnify, defend, protect and hold the other party harmless from and against any costs, expenses or liability for compensation, commission, fee, or charges which may be claimed by any agent, finder or other similar party, other than Brokers by reason of any dealings or act of the indemnifying party.

12. **Extension Terms of the Option Term.** Purchaser may, at its discretion and for any reason, extend the Option Term set forth in Section 1(e) above (“Extension Terms”) by payment of a non-refundable fee of FIVE HUNDRED AND NO/100 DOLLARS ($500.00) from Purchaser to Seller for each such Extension Term (the “Extension Term Fee”) as follows:

(a) A first extension of the Option Term by two months, that is from the expiration of the Option Term set forth above on March 31, 2019 to May 31, 2019, by payment of an Extension Term Fee on or before March 31, 2019;

(b) A second extension of the Option Term by two months, that is from May 31, 2019 to July 31, 2019, by payment of an Extension Term Fee on or before July 31, 2019;

(c) A third extension of the Option Term by two months, that is from July 31, 2019 to September 30, 2019, by payment of an Extension Term Fee on or before July 31, 2019;

(d) A fourth extension of the Option Term by two months, that is from September 30, 2019 to November 30, 2019, by payment of an Extension Term Fee on or before September 30, 2019;
(c) A fifth extension of the Option Term by two month, that is from November 30, 2019 to January 31, 2020, by payment of an Extension Term Fee on or before November 30, 2019.

The Extension Term Fees paid above, if any, shall be credited against the Purchase Price stated in Paragraph 6(a) above. The Extension Term Fees shall be made payable to WestStar Title as escrow agent for this transaction.


(a) Execution by Both Parties. This Agreement shall not become effective and binding until fully executed by both Purchaser and Seller.

(b) Notice. All notices, demands and/or consents provided for in this Agreement shall be in writing and shall be delivered to the parties hereto by hand or by United States Mail with postage pre-paid. Such notices shall be deemed to have been served on the date mailed, postage pre-paid. All such notices and communications shall be addressed to the parties at the following addresses:

Seller:
Jorge M. Sanchez
2900 Pershing, Suite C
El Paso, Texas 79903
Tel: 915 833 4036
Fax: 915 833 4039
Email: Jorge@PIMCUSH.COM

Purchaser:
Gerald Cichon, Chief Executive Officer
Housing Authority of the City of El Paso
5300 E. Paisano Dr., El Paso, Texas 79905
Tel: 915.849.3702
Email: geichon@hacep.org and asaenz@hacep.org
With a Copy delivered to:

Tom Deloye, Chief RAD Officer
Arthur Provenghi, Legal Counsel
Housing Authority of the City of El Paso
5300 E. Paisano Dr., El Paso, Texas 79905
Tel: 915.849.3709
Email: aprovenghi@hacep.org and tdeloye@hacep.org

(c) Governing Law, Venue for Disputes. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas. Any dispute regarding this Agreement or the transaction contemplated herein shall be brought and maintained at all times in El Paso County, Texas.
(d) Successors and Assigns. This Agreement shall apply to, inure to the benefit of and be binding upon and enforceable against the parties hereto and their respective heirs, successors, and or assigns, to the extent as if specified at length throughout this Agreement. Seller agrees that Purchaser may fully assign its rights under this Agreement to any affiliated person or entity, or to any third party, including a private or governmental entity.

(e) Time. Time is of the essence of this Agreement.

(f) Headings. The headings inserted at the beginning of each paragraph and/or subparagraph are for convenience of reference only and shall not limit or otherwise affect or be used in the construction of any terms or provisions hereof.

(g) Attorneys' Fees. Any signatory to this Agreement who is the prevailing party against any other signatory in any legal proceeding brought under or with relation to this Agreement or sale transaction shall be additionally entitled to recover from the non-prevailing party court costs, reasonable attorneys' fees, and all other litigation expenses, including deposition, travel, and expert witness costs and fees.

(h) Entire Agreement. This Agreement and subsequent Contract contains all of the terms, promises, covenants, conditions and representations made or entered into by or between Seller and Purchaser and supersedes all prior discussions and agreements whether written or oral between Seller and Purchaser with respect to the Option and all other matters contained herein and constitutes the sole and entire agreement between Seller and Purchaser with respect thereto. This Agreement may not be modified or amended unless such amendment is set forth in writing and executed by both Seller and Purchaser with the formalities hereof.

(i) Special Condition to Exercise Option. Purchaser and Seller acknowledge and agree that the exercise of the Option is expressly conditioned on Purchaser obtaining: (i) written determination, on the basis of a federally required environmental review (and an approval of the request for release of funds and approval of the responsible entity's certification, if applicable) that the purchase of the Property may proceed in accordance with 24 CFR Part 58 or 24 CFR Part 50, as applicable; (ii) all necessary approvals from the U.S. Department of Housing and Urban Development including but not limited to a site and neighborhood standards review, and Purchaser will not exercise the Option unless the foregoing conditions are satisfied.

[remainder of page intentionally left blank; signatures on following page]
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed under proper authority on the Execution Date of January 4, 2019.

SELLER: Jorge M. Sanchez  
By: Jorge M. Sanchez

PURCHASER: Housing Authority of the City of El Paso  
By: Gerald W. Carmon, Chief Executive Officer
Exhibit "B"

(Leases at the Property)

(if any)
Option Agreement for Purchase of Real Property

This Option Agreement for Purchase of Real Property (the “Agreement”) is made and entered into this 4th day of January 2019 (the “Execution Date”), by and between Jorge and Sonia Sanchez, 1801 Wyoming, #201, El Paso, Texas 79902, hereinafter referred to as the “Seller” and Housing Authority of the City of El Paso, a Texas municipal housing authority, and whose principal address is 5300 E. Paisano, El Paso, Texas 79905 and hereinafter referred to as the “Purchaser”:

Recitals

Whereas, Seller is the fee simple owner of certain real property and improvements lying and situated in El Paso County, Texas as set forth below

<table>
<thead>
<tr>
<th>Property</th>
<th>Legal Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>916 N. Kansas, El Paso, Texas</td>
<td>266 CAMPBELL 13 &amp; N 8.667 FT OF 14 (4160 SF) (4160 SQ FT)</td>
</tr>
</tbody>
</table>

(*This Property must be sold with 910 N. Kansas*)

(with the foregoing real properties and improvements collectively referred to herein as the “Property”), with the Property further indicated on the map which is set forth in Exhibit “A”, attached hereto;

Whereas, Purchaser desires to procure an option to purchase the Property upon the terms and provisions as hereinafter set forth;

Whereas, Purchaser desires an option to purchase the Property for future development of residential housing and/or any other lawful purpose (the “Purpose”):

Now, therefore, for good and valuable consideration the receipt and sufficiency of which is hereby acknowledged by the parties hereto and for the mutual covenants contained herein, Seller and Purchaser hereby agree as follows:

1. Definitions. For the purposes of this Agreement, in addition to those terms defined above, the following terms shall have the following meanings:

   (a) “Execution Date” shall mean the day referenced above in which the parties execute this Agreement;

   (b) “Feasibility Period” shall mean that period commencing on the Execution Date and ending on March 31, 2019;

   (c) “Independent Consideration” shall mean the total sum of ONE HUNDRED AND NO/00 DOLLARS ($100.00) payable to Seller on the Execution Date which is the amount the parties have bargained for and agreed to as consideration for Seller’s grant to Buyer of Buyer’s exclusive option to purchase the Property pursuant to the terms hereof and for Seller’s execution of this Agreement.
(d) "Option Fee" shall mean the total sum of a down payment of TWO THOUSAND AND NO/00 DOLLARS ($2,000.00), a non-refundable payment to be made payable directly to Seller within fifteen (15) business days of execution of this Agreement;

(e) "Option Term" shall mean that period of time commencing on the Execution Date and ending on March 31, 2019, unless extended by one or more Extension Terms as provided by Section 12 below;

(f) "Option Exercise Date" shall mean that date, within the Option Term, upon which the Purchaser shall send its written notice to Seller exercising its Option to Purchase; and

(g) "Closing Date" shall mean the date selected by Purchaser that is sixty (60) days or fewer from the Option Exercise Date.

2. **Feasibility Period.** During the Feasibility Period, Seller agrees to permit Purchaser, its employees, representatives, insurers, and agents reasonable access to the Property in order to perform inspections of the Property to ensure it is suitable for the Purchaser's needs, including but not limited to, at the Purchaser's sole expense, conducting one or more surveys, appraisals, design studies or assessments, conducting environmental studies, order soil boring and laboratory tests, and/or testing for hazardous materials. In addition, during the Feasibility Period, upon request of Purchaser, Seller agrees to provide copies of any surveys, environment studies, designs, site plans, or archeological studies in its possession or control regarding the Property.

3. **Grant of Exclusive Option.** In consideration of the Option Fee payable to Seller as set forth herein, Seller does hereby grant to Purchaser the exclusive right and Option ("Option") to purchase the Property upon the terms and conditions as set forth herein. If the Option Term is extended pursuant to Section 12 below, Seller continues to grant to Purchaser the exclusive right and Option to purchase the Property upon the terms and conditions as set forth herein.

4. **Payment of Option Fee.** Purchaser agrees to pay the Seller as the Option Fee in a single payment in the amount specified in Section 1(d) above within fifteen (15) business days of the commencement of the Option Term. The Option Fee shall be deposited in escrow with WestStar Title, El Paso, Texas, acting as escrow agent, to be released to Seller upon WestStar Title's receipt of written request from Seller for same.

5. **Exercise of Option.** Purchaser may exercise its exclusive right to purchase the Property pursuant to the Option, at any time during the Option Term by giving written notice thereof to Seller. As provided for above, the date of sending of said notice shall be the Option Exercise Date.

6. **Contract for Purchase and Sale of Real Property.** In the event that the Purchaser exercises its exclusive Option as provided for herein, Seller agrees to sell and Purchaser agrees to buy the Property and both parties agree to execute a contract (the "Contract") for such purchase and sale of the Property in accordance with the following terms and conditions:
(a) Purchase Price. The total purchase price for the Property shall be the sum of TWO HUNDRED THOUSAND AND NO/00 DOLLARS ($200,000.00) (the "Purchase Price"); however, Purchaser shall receive credit towards the Purchase Price for any Extension Term Fees paid by Purchaser as noted in Section 12 below;

(b) Closing Date. The Closing Date shall be on or before the time set forth in Section 1(g) above;

(c) Closing Costs. Unless otherwise provided herein or already paid outside of Closing, at Closing, Seller agrees to pay the costs for:

(i) the base premium for the title policy;
(ii) Special Warranty Deed preparation;
(iii) Tax certificates;
(iv) The cost of the survey; and
(v) One-half (1/2) of the escrow fee charged by the title company selected by Purchaser.

Purchaser agrees to pay:

(i) One-half (1/2) of the escrow fee charged by the title company selected by Purchaser;
(ii) Recording fees for the Special Warranty Deed;
(iii) Costs related to additional due diligence studies ordered by Buyer;
(iv) Any endorsements or extended coverage to the title policy; and
(v) Any Roll-Back Taxes, if and as applicable to a Purchaser that is a governmental entity and exempt from payment of property taxes in Texas or if applicable to the Seller. Seller shall not pay any Roll-Back Taxes under any circumstances.

All other costs and expenses incurred in connection with this Agreement that are not recited herein to be the obligation of Seller or Purchaser shall be allocated among Seller and Purchaser as is customary in El Paso County, Texas. Except as provided in Section 13(g), each party shall its own attorneys’ fees.

(d) Default by Purchaser: Remedies of Seller. In the event Purchaser, after exercise of the Option, fails to proceed with the closing of the purchase of the Property pursuant to the terms and provisions as contained herein and/or under the Contract, Seller shall be entitled to retain the Option Fee or any Section 12 extension fees deposited with WestStar Title as liquidated damages and shall have no further recourse against Purchaser; and

(e) Default by Seller: Remedies of Purchaser. In the event Seller fails to close the sale of the Premises pursuant to the terms and provisions of this Agreement and/or under the Contract, Purchaser shall be entitled, at its sole discretion, to either sue for specific performance of the real estate purchase and sale contract or terminate such Contract and sue for money damages, including, but not limited to the return of the Option Fee paid.
7. **Inspection of the Property.** During the Feasibility Period and Option Term, including the duration of any Option Term extended pursuant to Section 12 below, Seller agrees to permit Purchaser, its employees, representatives, insurers, contractors, and agents reasonable access to the Property in order to perform inspections of the Property to ensure it is suitable for the Purchaser’s needs, including but not limited to, at the Purchaser’s sole expense, conducting one or more surveys, appraisals, design studies or assessments, conducting environmental studies, order soil boring and laboratory tests, testing for hazardous materials and/or studies or reports necessary to obtain approvals from the U.S. Department of Housing and Urban Development, Texas Department of Housing and Community Affairs, historic tax credit agencies, and/or any other federal, state, tribal, or local agency or body for the intended development of the Property.

8. **Seller’s Obligations.** Seller is solely responsible for all care, maintenance, taxes and liabilities associated with the Property through the Closing Date, if any. After the Execution Date and until the Closing, Seller shall maintain the Property in the same condition and in the same manner as existing on the Execution Date, ordinary wear and casualty loss excepted. All risk of loss to the Property shall remain upon Seller prior to the Closing. The parties further agree that if the Property or improvements thereon, if any, are materially damaged or destroyed at any time after the execution of this Agreement and prior to the Closing, Seller shall have a reasonable time in which to repair or reconstruct the same. If Seller fails to do so within a reasonable time, Purchaser may, at its option, undertake such repairs or reconstruction and Seller agrees to reimburse Purchaser for the full cost thereof at the Closing, or, alternatively, at the option of Purchaser, all obligations of the parties under this Agreement shall terminate, and the parties agree that Purchaser shall be refunded any and all amounts previously paid to Seller pursuant to this Agreement.

9. **Closing Obligations.** At the Closing, the parties agree that, among other obligations to be memorialized in a written purchase agreement, Seller shall deliver or cause to be delivered to Purchaser, at Seller’s sole cost and expense, each of the following items:

   (a) a survey by a registered professional land surveyor acceptable to the Purchaser and its selected title company;

   (b) a general warranty deed, duly executed and acknowledged by Seller, in recordable form, conveying the Property in fee simple according to the legal description prepared by the surveyor as shown on the survey, subject only to ordinary permitted exceptions existing as of the Execution Date, excluding any liens or judgments, which will never be permitted exceptions;

   (c) a title policy in the full amount of the Purchase Price issued by a title company selected by Purchaser, subject only to permitted exceptions as provided above and insuring indefeasible fee simple title is vested in Purchaser;

   (d) such evidence or documents as may be reasonably required by Purchaser or the title company evidencing the status and capacity of the Seller and the authority of the
person or persons who are executing any documents on behalf of the Seller in connection with the sale of the Property; and

(e) relocation of any and all tenants of the Property, at Seller's expense (or an agreement to relocate any such tenants in a form acceptable to Purchaser).

10. **Seller's Representations and Warranties.** Seller represents and warrants to Purchaser:

(a) As of the Execution Date and Closing Date, (A) Seller is an individual, (B) Seller is, to the extent required by law, duly qualified to do business in the State of Texas, (C) Seller has all power and authority necessary for it to execute and deliver this Agreement and perform its obligations hereunder, and (D) the execution, delivery and performance of this Agreement by Seller does not conflict with or constitute a breach of any contract, agreement or other instrument by which Seller or any property is bound;

(b) As of the Execution Date and Closing Date, Seller is not (A) a “foreign person,” as such term is defined in Section 1445(f)(3) of the Internal Revenue Code of 1954, as amended, or (B) a “disregarded entity” as such term is defined in Section 1.1445-2(b)(2)(iii) of the Code of Federal Regulations;

(c) As of the Execution Date and Closing Date, Seller has not (A) filed any voluntary petition in bankruptcy or sought to reorganize his affairs under the Bankruptcy Code of the United States or any other federal, state or local law related to bankruptcy, insolvency or relief for debtors in the last thirty (30) years, (B) been adjudicated as bankrupt or insolvent, or (C) had an involuntary petition filed against him under the Bankruptcy Code of the United States or any other federal, state or local law related to bankruptcy, insolvency or relief for debtors;

(d) As of the Execution Date, to Seller's knowledge, there are no pending condemnation proceedings affecting the Property;

(e) As of the Execution Date, (A) Seller is not a party to any pending lawsuits affecting the Property, and (B) Seller has not received written notice from any governmental authority that the Property is in violation of legal requirements;

(f) As of the Execution Date and Closing Date, the Property is not subject to any unrecorded leases, contacts or agreements that would be binding on Purchaser except the lease(s) noted on Exhibit “B” hereto;

(g) As of the Execution Date and Closing Date, Seller has not entered into any contracts with any person, firm or entity, other than Purchaser to purchase or otherwise acquire or possess the Property or any part thereof; and
(h) As of the Execution Date and Closing Date Seller is vested with marketable fee simple title to the Property and there are no parties in possession of any portion of the Property as lessees, tenants or otherwise.

In the event items (d) and (e) are not also accurate as of the Closing Date, Purchaser may terminate this Agreement and receive a return of the entire Option Fee.

11. Brokers’ Fee. If Purchaser exercises its Option and the sale and purchase of the Property closes, Seller agrees to pay to SVN Fortune Real Estate (as broker to Purchaser) and Team Uribe (as broker to Seller) (collectively the “Brokers”), a commission in cash equal to a total of six percent (6.00%) of the Purchase Price, which commission shall be split equally between the foregoing Brokers and paid by Seller at the Closing.

Each party represents and warrants to the other party that such party has had no dealings with any person, firm, agent of finder in connection with the negotiation of this Agreement and/or the consummation of the purchase and sale contemplated herein, other than the Brokers named herein, and no other broker, agent, person, firm or entity, other than Brokers is entitled to any commission or finder's fee in connection with this transaction as the result of any dealings or acts of such party. Each party hereby agrees to indemnify, defend, protect and hold the other party harmless from and against any costs, expenses or liability for compensation, commission, fee, or charges which may be claimed by any agent, finder or other similar party, other than Brokers by reason of any dealings or act of the indemnifying party.

12. Extension Terms of the Option Term. Purchaser may, at its discretion and for any reason, extend the Option Term set forth in Section 1(e) above (“Extension Terms”) by payment of a non-refundable fee of FIVE HUNDRED AND NO/100 DOLLARS ($500.00) from Purchaser to Seller for each such Extension Term (the “Extension Term Fee”) as follows:

(a) A first extension of the Option Term by two months, that is from the expiration of the Option Term set forth above on March 31, 2019 to May 31, 2019, by payment of an Extension Term Fee on or before March 31, 2019;

(b) A second extension of the Option Term by two months, that is from May 31, 2019 to July 31, 2019, by payment of an Extension Term Fee on or before July 31, 2019;

(c) A third extension of the Option Term by two months, that is from July 31, 2019 to September 30, 2019, by payment of an Extension Term Fee on or before July 31, 2019;

(d) A fourth extension of the Option Term by two months, that is from September 30, 2019 to November 30, 2019, by payment of an Extension Term Fee on or before September 30, 2019;
(e) A fifth extension of the Option Term by two month, that is from November 30, 2019 to January 31, 2020, by payment of an Extension Term Fee on or before November 30, 2019.

The Extension Term Fees paid above, if any, shall be credited against the Purchase Price stated in Paragraph 6(a) above. The Extension Term Fees shall be made payable to WestStar Title as escrow agent for this transaction.


(a) Execution by Both Parties. This Agreement shall not become effective and binding until fully executed by both Purchaser and Seller.

(b) Notice. All notices, demands and/or consents provided for in this Agreement shall be in writing and shall be delivered to the parties hereto by hand or by United States Mail with postage pre-paid. Such notices shall be deemed to have been served on the date mailed, postage pre-paid. All such notices and communications shall be addressed to the parties at the following addresses:

Seller:
Jorge and Sonia Sanchez
1801 Wyoming #201
El Paso, Texas 79902
Tel: 915 833-4036
Fax: 915 833-4039
Email: jorge@ptxinc.com

Purchaser:
Gerald Cichon, Chief Executive Officer
Housing Authority of the City of El Paso
5300 E. Paisano Dr., El Paso, Texas 79905
Tel: 915.849.3702
Email: gcichon@hacep.org and asaenz@hacep.org
With a Copy delivered to:

Tom Deloye, Chief RAD Officer
Arthur Provenghi, Legal Counsel
Housing Authority of the City of El Paso
5300 E. Paisano Dr., El Paso, Texas 79905
Tel: 915.849.3709
Email: aprovenghi@hacep.org and tdeloye@hacep.org

(c) Governing Law, Venue for Disputes. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas. Any dispute regarding this Agreement or the transaction contemplated herein shall be brought and maintained at all times in El Paso County, Texas.
(d) **Successors and Assigns.** This Agreement shall apply to, inure to the benefit of and be binding upon and enforceable against the parties hereto and their respective heirs, successors, and or assigns, to the extent as if specified at length throughout this Agreement. Seller agrees that Purchaser may fully assign its rights under this Agreement to any affiliated person or entity, or to any third party, including a private or governmental entity.

(e) **Time.** Time is of the essence of this Agreement.

(f) **Headings.** The headings inserted at the beginning of each paragraph and/or subparagraph are for convenience of reference only and shall not limit or otherwise affect or be used in the construction of any terms or provisions hereof.

(g) **Attorneys’ Fees.** Any signatory to this Agreement who is the prevailing party against any other signatory in any legal proceeding brought under or with relation to this Agreement or sale transaction shall be additionally entitled to recover from the non-prevailing party court costs, reasonable attorneys’ fees, and all other litigation expenses, including deposition, travel, and expert witness costs and fees.

(h) **Entire Agreement.** This Agreement and subsequent Contract contains all of the terms, promises, covenants, conditions and representations made or entered into by or between Seller and Purchaser and supersedes all prior discussions and agreements whether written or oral between Seller and Purchaser with respect to the Option and all other matters contained herein and constitutes the sole and entire agreement between Seller and Purchaser with respect thereto. This Agreement may not be modified or amended unless such amendment is set forth in writing and executed by both Seller and Purchaser with the formalities hereof.

(i) **Special Condition to Exercise Option.** Purchaser and Seller acknowledge and agree that the exercise of the Option is expressly conditioned on Purchaser obtaining: (i) written determination, on the basis of a federally required environmental review (and an approval of the request for release of funds and approval of the responsible entity’s certification, if applicable) that the purchase of the Property may proceed in accordance with 24 CFR Part 58 or 24 CFR Part 50, as applicable; (ii) all necessary approvals from the U.S. Department of Housing and Urban Development including but not limited to a site and neighborhood standards review, and Purchaser will not exercise the Option unless the foregoing conditions are satisfied.

[remainder of page intentionally left blank; signatures on following page]
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed under proper authority on the Execution Date of January 4, 2019.

SELLER: Jorge Sanchez  Sonia Sanchez
By: Jorge Sanchez  By: Sonia Sanchez

PURCHASER: Housing Authority of the City of El Paso
By: Gerald C. Chew, Chief Executive Officer
Exhibit "A"

(Map)
Exhibit "B"

(Leases at the Property)

(if any)

N/A
Census Tract Map
Nuestra Senora

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