

AN ORDINANCE APPROVING AND AUTHORIZING A PURCHASE AND SALE AGREEMENT, A SPECIAL WARRANTY DEED AND A DEVELOPMENT AGREEMENT BETWEEN THE CITY OF HOUSTON, TEXAS, SELLER, AND SEARCH HOMELESS SERVICES, BUYER, TO SELL 0.2328 ACRES OF LAND, BEING LOTS 9 AND 10, BLOCK 187, S.S.B.B., LOCATED AT 205 CHARTRES STREET, HOUSTON, HARRIS COUNTY, TEXAS; FOR A PURCHASE PRICE OF \$270,000.00, AND OTHER CONSIDERATION TO THE CITY; CONTAINING OTHER PROVISIONS RELATING TO THE FOREGOING SUBJECT; AND DECLARING AN EMERGENCY.

* * * * *

WHEREAS, by Motion No. 2014-0799, passed on August 13, 2014, the City Council designated 0.2328 acres of land, being Lots 9 and 10 Block 187, S.S.B.B., located at 205 Chartres Street, Houston, Texas (Parcel SY15-027), surplus and authorized its sale; and

WHEREAS, SEARCH HOMELESS SERVICES, a Texas nonprofit corporation ("Buyer"), is one of the leading institutions in Greater Houston helping people move from the streets, into jobs and safe, stable housing, and they intend to use the subject property to deliver community services to the citizens of Houston; and

WHEREAS, Buyer will be allowed to offset the purchase price of \$270,000.00 by the value of services that it proves over the next five (5) years and it will enter into a Development Agreement, under which they must develop the property in a way that will benefit the general public and own and operate a non-profit homeless services facility for a period of at least fifteen (15) years and Buyer cannot sell, assign, lease, convey or otherwise transfer the property during this time-period without the City's approval, which can only be given if the acquiring organization will use it in the same or consistent manner; and

WHEREAS, if Buyer fails to comply with the restrictive covenants contained in the Development Agreement, it will reimburse the City with the purchase price; and

WHEREAS, Texas Local Government Code § 272.002(b)(4) authorizes municipalities to sell real estate directly to an independent foundation for development; **NOW, THEREFORE,**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HOUSTON, TEXAS:

Section 1. The City Council hereby approves and authorizes the Purchase and Sales Agreement, the Special Warranty Deed and the Development Agreement, in substantially the forms shown in the documents which are attached as **EXHIBIT A**, **EXHIBIT B** and **EXHIBIT C** and incorporated herein by this reference. The Mayor is hereby authorized to execute such documents and all related documents on behalf of the City of Houston. The City Secretary is hereby authorized to attest to all such signatures and to affix the seal of the City to all such documents.

Section 2. The Mayor is hereby authorized to take all actions, including but not limited to execution of the Purchase and Sales Agreement, the Special Warranty Deed and the Development Agreement as well as all other related documents, necessary to effectuate the City's intent and objectives in approving the undertaking described in the title of this ordinance, in the event of changed circumstances.

Section 3. The City Attorney is hereby authorized to take all action necessary to enforce all legal obligations created under this ordinance without further authorization from Council.

Section 4. There exists a public emergency requiring that this Ordinance be passed finally on the date of its introduction as requested in writing by the Mayor; therefore, this Ordinance shall be passed finally on such date and shall take effect immediately upon its passage and approval by the Mayor; however, in the event that the Mayor fails to sign this Ordinance within five days after its passage and adoption, it shall take effect in accordance with Article VI, Section 6, Houston City Charter.

PASSED AND ADOPTED this the 15th day of October, 2014.

APPROVED this the ____ day of _____, 2014.


Mayor of the City of Houston

Pursuant to Article VI, Section 6, Houston City Charter, the effective date of the foregoing Ordinance is OCT 21 2014.



City Secretary

APPROVED AS TO FORM:



John H. Liles, Jr.

Senior Assistant City Attorney

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Requested by:

Andrew F. Icken
Chief Development Officer, Mayor's Office

AYE	NO	
✓		MAYOR PARKER
••••	••••	COUNCIL MEMBERS
✓		STARDIG
✓		DAVIS
✓		COHEN
✓		BOYKINS
✓		MARTIN
✓		NGUYEN
✓		PENNINGTON
✓		GONZALEZ
✓		GALLEGOS
✓		LASTER
✓		GREEN
✓		COSTELLO
✓		ROBINSON
✓		KUBOSH
✓		BRADFORD
✓		CHRISTIE
CAPTION	ADOPTED	

PURCHASE AND SALE AGREEMENT

This Purchase and Sale Agreement (this "Agreement") is between **The City of Houston, Texas**, a municipal corporation situated in Harris, Fort Bend and Montgomery Counties, Texas (the "City"), and **Search Homeless Services**, a Texas nonprofit corporation ("Buyer"), to be effective as of the Effective Date (as hereinafter defined below).

RECITALS:

A. As of the Effective Date, the City is the fee title owner of that certain tract or parcel of land designated as:

Lots 9 and 10, Block 187, S.S.B.B., City of Houston, Harris County, Texas [Parcel No. SY15-027] and being more particularly described on **Exhibit "A"** attached hereto (the "Real Property").

B. The sale of the Property (defined below) by the City to Buyer is being made pursuant to Section 272.001(b)(4) of the Texas Local Government Code.

C. The sale of the Property is in furnace of the provisions and intent of City of Houston Ordinance No. 2014-755.

AGREEMENTS:

NOW THEREFORE, in consideration of the promises set forth in this Agreement and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the City and Buyer (the "Parties" or a "Party") hereby agree as follows:

1. BINDING AGREEMENT.

This Agreement constitutes a binding agreement between the City, pursuant to its promise of sell under this Agreement, and Buyer, pursuant to its promise to purchase under this Agreement, for the sale and purchase of the Property subject to the terms set forth in this Agreement. Subject to the limitations set forth in this Agreement, this Agreement shall bind and inure to the benefit of the Parties. This Agreement supersedes all other written or verbal agreements between the Parties concerning the transaction embodied in this Agreement. No claim of waiver or modification concerning the provisions of this Agreement shall be made against a Party unless based upon a written instrument signed by such Party.

2. INCLUSIONS IN PROPERTY

(a) The Property. The term "Property" shall mean the City's right, title and interest in and to the following:

- 1) The Real Property;
- 2) The improvements on the Real Property; and

Exhibit "A"

3) All tenements, hereditaments and appurtenances pertaining to the Real Property.

3. THE TRANSFER DOCUMENTS.

All components of the Property shall be transferred and conveyed by execution by the City, and delivery by the City to Buyer, of a special warranty deed, a specimen of which is attached hereto as **Exhibit "B"** (the "Deed"), which Deed will also be executed by Buyer. The Deed and all other documents to be executed and delivered at the Closing (defined below) by a Party, including the Development Agreement (defined below) are hereinafter collectively referred to as the "Transfer Documents."

4. PURCHASE PRICE

(a) Aggregate. The aggregate price to be paid by Buyer to the City for the Property is \$270,000.00 (the "Purchase Price"), and shall be paid by Buyer as provided in this Section 4(a) by Buyer rendering the Services as shown in **Exhibit "C"** attached hereto (the "Services").

The City agrees that, as consideration to the City, Buyer agrees to provide the Services. Buyer will keep records of the number of Services that it provides each year and maintain such records throughout the restriction term of five (5) years. The City may elect at any time to inspect Buyer's records to determine whether a sufficient amount of Services have been provided. If after five (5) years, the amount of Services provided were not sufficient, Buyer shall promptly pay to the City the uncredited amount principal consideration.

(b) Deed Restrictions. As additional consideration for the sale of the Property, Buyer and the City agree that the Deed will contain restrictive covenants, substantially as contained in the Deed attached hereto.

(c) Development Agreement. As additional consideration for the sale of the Property, Buyer hereby agrees to execute and deliver to the City at the Closing the Development Agreement (herein so called), a specimen of which is attached hereto as **Exhibit "E"**.

5. FEASIBILITY PERIOD, TITLE COMMITMENT AND SURVEY

(a) Commencing at the Effective Date and ending at the expiration of 90 days thereafter, Buyer shall have a period (the "Feasibility Period") during which Buyer may examine the Property and (with the City's prior written approval) conduct such tests and studies as Buyer may desire, including but not limited to environmental and asbestos testing, in order to determine if the Property is suitable for Buyer's purposes. Buyer agrees to indemnify, defend and hold harmless the City, its elected officials, officers, directors, agents and employees from any injury or damage incurred in connection with such testing. Buyer may terminate this Agreement for any reason, or for no reason, during the Feasibility Period. At the end of the Feasibility Period, Buyer shall notify the City in writing if Buyer desires to terminate this Agreement. If Buyer does not so notify the City, Buyer shall be deemed to have elected to proceed to Closing, subject to the

terms hereof. Buyer may at any time give the City notice of its election to shorten the Feasibility Period and proceed to the Closing.

(b) Within 10 business days from the Effective Date, City shall deliver to Buyer, at City's sole cost and expense, legible copies of all information and documents in City's possession or its agents' or contractors' possession or control the following items referenced below:

1) Copies of all documents, if any, indicating compliance or non-compliance with all applicable governing bodies in authority for the Property if same are in the City's possession;

2) Any soil, engineering and environmental reports, if any, in the City's possession and copies of any contracts not cancelable in 30 days. Note: Buyer will review the City's environmental reports (if any) and may require additional independent third party testing; and

3) City to provide an existing Survey of the Property.

6. SURVEY AND TITLE COMMITMENT

(a) During the Feasibility Period, the City will provide Buyer with a survey of the Real Property (the "Survey") and a recent copy of a Commitment for Title Insurance covering the Real Property (the "Title Commitment") prepared by the Title Company.

If it desires Buyer may, at its sole cost and expense, cause to be prepared (and, if so, delivered to the City, Buyer and the Title Company) an updated Survey certified to the City, Buyer and the Title Company. In addition, the City may, at its sole cost and expense, cause the Title Company to update the Title Commitment and have a copy delivered to the City and Buyer.

(b) Buyer shall have until the end of the Feasibility Period to examine the Survey and Title Commitment and to specify to the City those items affecting the Property that Buyer finds objectionable (the "Encumbrances"). Items shown in the Title Commitment or Survey and not objected to by the end of the Feasibility Period by Buyer in its written objections shall be deemed items subject to which Buyer will accept title to the Property (the "Permitted Encumbrances").

(c) If the City fails or is unwilling to cause all of the Encumbrances to be removed or cured by the Closing Date, or if the Title Commitment or Survey indicates that the City does not own indefeasible fee simple title to the Property, Buyer shall have the following rights, as its sole and exclusive remedies:

1) Buyer may terminate this Agreement by giving the City written notice thereof, in which event the Earnest Money (as hereinafter defined), save and except the Independent Consideration, shall be returned to Buyer, and neither party shall have any further rights, duties, or obligations hereunder; or

2) Buyer may elect to waive the Encumbrances not so removed or cured and close the purchase and sale contemplated by this Agreement without

any reduction in the Purchase Price in accordance with the remaining terms and provisions, whereupon the Encumbrances not so removed or cured shall become Permitted Encumbrances, to be treated in the manner provided herein for Permitted Encumbrances.

7. [Intentionally Omitted]

8. IRS SECTION 1445

The City shall furnish to the Title Company on or before the Closing Date a sworn affidavit (the "Non-Foreign Affidavit") stating under penalty of perjury that the City is not a "foreign person" as such term is defined in Section 1445 of the Internal Revenue Code of 1986, as amended (the "Code").

9. DELIVERY OF POSSESSION

Provided Buyer has satisfied in full its obligations hereunder, the City shall deliver possession of the Property to Buyer at Closing, the Permitted Encumbrances and the restrictive covenants set out in the Deed.

10. CONDITIONS PRECEDENT

a) In addition to all other conditions precedent set forth in this Agreement, Buyer's obligations to perform under this Agreement and to close the transaction contemplated by this Agreement are expressly subject to the following:

- 1) The delivery by the City to Buyer at Closing of executed originals of the Transfer Documents to be executed by the City (properly notarized where required).
- 2) The issuance to Buyer of an owner policy of title insurance (the "Owner Title Policy") (or a written commitment therefor) in the amount of the Purchase Price showing Buyer as owner in fee simple of the Real Property and subject only to the standard printed exceptions contained therein and to the Permitted Exceptions.
- 3) The delivery by the City to Buyer and the Title Company at Closing of any additional documents as may be reasonably required for the proper consummation of the transaction contemplated by this Agreement or that may be usual and customary in closing similar transactions.

If the foregoing conditions have not been satisfied by Closing, then Buyer shall have the right, as Buyer's sole and exclusive remedy, by giving written notice to the City, to exercise the remedies available to Buyer in Section 15 of this Agreement.

(b) In addition to all other conditions precedent set forth in this Agreement, the City's obligations to perform under this Agreement and to close the transaction contemplated by this Agreement are expressly subject to the following:

- 1) Payment by Buyer of the Purchase Price;

2) The delivery by Buyer to the City at Closing of executed originals of the Transfer Documents to be executed by Buyer (properly notarized where required).

3) The delivery by Buyer to the City and the Title Company at Closing of any additional documents may be reasonably required for the proper consummation of the transaction contemplated by this Agreement or that may be usual and customary in closing similar transactions.

If the foregoing conditions have not been satisfied by Closing, then the City shall have the right, as the City's sole and exclusive remedy, by giving written notice to Buyer and Escrow Agent, to exercise the remedies available to the City in Section 15 of this Agreement.

11. BROKERAGE

The Parties warrant to one another that they have not dealt with any finder, broker or Realtor in connection with this Agreement and, if any person shall assert a claim to a finder's fee or brokerage commission on account of alleged employment as a finder or broker in connection with this Agreement, the Party under whom the finder or broker is claiming shall (but, as to the City, only to the extent permitted by law) indemnify and hold the other Party harmless from and against any such claim and all costs, expenses and liabilities incurred in connection with such claim or any action or proceeding brought on such claim, including, but not limited to, counsel and witness fees and court costs in defending against such claim. The indemnification provisions of this Section 11 shall survive termination of this Agreement or the Closing.

12. CLOSING

The consummation of the transactions contemplated by this Agreement (the "Closing") shall occur the date (the "Closing Date") that is 30 days after the date the City delivers to Buyer the Petroleum Storage Tank ("PST") case closure letter for the Property and any other environmental information in the possession of the City, which is anticipated to be no later than March, 2016.

13. ASSIGNMENT

Without the prior written consent of the City, Buyer shall not, directly or indirectly, assign this Agreement or any of its rights hereunder. Any attempted assignment in violation hereof shall, at the election of the City, be of no force or effect and shall constitute a default by Buyer.

14. RISK OF LOSS

Risk of loss for damage to the Property, or any part thereof, from the Effective Date through the Closing Date will be on Buyer. The terms of this Section 14 shall apply to the transaction set out in this Agreement in lieu of the terms of any provision of applicable law.

15. REMEDIES

(a) The City's Breach. If the City shall fail or refuse to consummate the transaction in accordance with the terms of this Agreement (and Buyer is not in breach hereof), Buyer may, at Buyer's sole option and as Buyer's sole and exclusive remedy, by written notice to the City and the Title Company, cancel this Agreement whereupon, except as otherwise provided in this Agreement, neither of the Parties shall have any further liability or obligation hereunder. Buyer specifically waives any and all right to seek any other equitable relief and any and all right to seek actual, consequential, speculative, punitive or other damages.

(b) Buyer's Breach. If Buyer shall fail or refuse to consummate the transaction in accordance with the terms of this Agreement (and the City is not in breach hereof), the City may, at the City's sole option and as the City's sole and exclusive remedy, either (i) by written notice to Buyer and the Title Company, terminate this Agreement whereupon, except as otherwise provided in this Agreement, neither of the Parties shall have any further liability or obligation hereunder or (ii) seek specific performance against Buyer. The City specifically waives any and all right to seek any other equitable relief and any and all right to seek actual, consequential, speculative, punitive or other damages.

(c) Exclusive Remedies. The City and Buyer agree that except with respect to a breach of obligations that survive the termination of this Agreement or the Closing, and except for attorneys' fees under Section 16 below, the remedies provided in this Section 15 shall be the sole and exclusive remedies to which the Parties shall be entitled, and the City and Buyer expressly waive and release any other remedies to which they may otherwise be entitled, at law or in equity.

16. ATTORNEYS' FEES

In the event of any litigation between the Parties as a result of or arising out of this Agreement, the prevailing Party shall be entitled to recover all costs and expenses of such litigation, including reasonable attorney's fees, from the non-prevailing Party.

17. NOTICES

(a) Addresses. Except as otherwise required by law, any notice required or permitted hereunder shall be in writing and shall be given by personal delivery, or by deposit in the U.S. Mail, certified or registered, return receipt requested, postage prepaid, addressed to the Parties at the addresses set forth below, or at such other address as a Party may designate in writing pursuant hereto, or tested fax number (with a copy to follow by overnight courier) or email address (with a copy to follow by

overnight courier), or any express or overnight delivery service (e.g., Federal Express), delivery charges prepaid:

if to the City:

City of Houston
Attention: Assistant Director, Real Estate
General Services Department
P. O. Box 61189
Houston, Texas 77252-1562

if to Buyer:

Search Homeless Services
Attention: Ms. Thao Costis
President & CEO
2505 Fannin
Houston, Texas 77002

(b) Effective Date of Notices. Notice shall be deemed to have been given on the date on which notice is delivered, if notice is given by personal delivery, facsimile (with a copy to follow by overnight courier) or email (with a copy to follow by overnight courier), and on the date of deposit in the mail, if mailed or deposited with an overnight carrier. Notice shall be deemed to have been received on the date on which the notice is received, if notice is given by personal delivery, and on the third (3rd) day following deposit in the U.S. Mail, if notice is mailed.

18. CLOSING COSTS

(a) Prorations. All normal and customarily proratable items, including but not limited to real estate and personal property taxes, rents, and utility bills, if any, shall be prorated as of the Closing Date, the City being charged and credited for all of the same up to such date and Buyer being charged and credited for all of same on and after such date. If the actual amounts to be prorated are not known at the Closing Date, the prorations shall be made on the basis of the best evidence available, and thereafter, when actual figures are received, a cash settlement will be made between the City and Buyer. The City hereby acknowledges that Buyer is not subject to ad valorem taxes.

(b) Closing Costs. The City and Buyer agree to pay closing costs as indicated in this Section 18 and in the other Sections of this Agreement. At Closing, the City shall pay (i) the costs of releasing any encumbrances that the City elects to release, and (ii) any other costs to be paid by the City under this Agreement. At Closing, Buyer shall pay (i) recording fees related to the Transfer Documents, (ii) the cost of the issuance of the Owner Title Policy, and (iii) any other costs to be paid by Buyer under this Agreement. Except as otherwise provided for in this Agreement, the City and Buyer will each be solely responsible for and bear all of their own respective expenses, including, without limitation, expenses of legal counsel, accountants, and other advisors incurred at any time in connection with pursuing or consummating the transaction contemplated herein. Any other closing costs not specifically designated as the responsibility of either Party in this Agreement shall be paid by the City and Buyer according to the usual and customary allocation of the same by Title Company.

19. APPROVALS

Concerning all matters in this Agreement requiring the consent or approval of any Party, the Parties agree that any such consent or approval shall not be unreasonably withheld unless otherwise provided in this Agreement. Buyer acknowledges that the City is not bound to any agreement until an ordinance has been passed by the City Council of the City of Houston.

20. ADDITIONAL ACTS

The Parties agree to execute promptly such other documents and to perform such other acts as may be reasonably necessary to carry out the terms and provisions of this Agreement.

21. GOVERNING LAW; JURISDICTION; VENUE

This Agreement shall be construed and the rights and obligations of the City and Buyer hereunder determined in accordance with the internal laws of the state in which the Property is located without regard to the principles of choice of law or conflicts of law. In recognition of the benefits of having any disputes with respect to this Agreement resolved by an experienced and expert person, the City and Buyer hereby agree that any suit, action, or proceeding, whether claim or counterclaim, brought or instituted by any Party on or with respect to this Agreement or which in any way relates, directly or indirectly, to this Agreement or any event, transaction, or occurrence arising out of or in any way connected with this Agreement or the Property, or the dealings of the Parties with respect thereto, shall be tried only by a court of appropriate jurisdiction in Harris County, Texas and not by a jury.

EACH PARTY HEREBY EXPRESSLY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY SUCH SUIT, ACTION, OR PROCEEDING.

22. CONSTRUCTION

The terms and provisions of this Agreement represent the results of negotiations among the Parties, each of which has been represented by counsel of its own choosing, and neither of which has acted under any duress or compulsion, whether legal, economic or otherwise. Consequently, the terms and provisions of this Agreement shall be interpreted and construed in accordance with their usual and customary meanings, and the Parties each hereby waive the application of any rule of law which would otherwise be applicable in connection with the interpretation and construction of this Agreement that ambiguous or conflicting terms or provisions contained in this Agreement shall be interpreted or construed against the Party whose attorney prepared the executed Agreement or any earlier draft of the same.

23. TIME OF ESSENCE

Time is of the essence of this Agreement. However, if this Agreement requires any act to be done or action to be taken on a date which is a Saturday, Sunday or legal holiday, such act or action shall be deemed to have been validly done or taken if done

or taken on the next succeeding day which is not a Saturday, Sunday or legal holiday, and the successive periods shall be deemed extended accordingly.

24. INTERPRETATION

If there is any specific and direct conflict between, or any ambiguity resulting from, the terms and provisions of this Agreement and the terms and provisions of any document, instrument or other agreement executed in connection herewith or in furtherance hereof, including any Exhibits hereto, the same shall be consistently interpreted in such manner as to give effect to the general purposes and intention as expressed in this Agreement, which shall be deemed to prevail and control.

25 HEADINGS AND COUNTERPARTS

The headings of this Agreement are for reference only and shall not limit or define the meaning of any provision of this Agreement. This Agreement may be executed in any number of counterparts, each of which shall be an original but all of which shall constitute one and the same instrument.

26. INCORPORATION OF EXHIBITS BY REFERENCE

All Exhibits to this Agreement are fully incorporated herein as though set forth at length herein. "Include", "includes" and "including" as used in this Agreement shall be deemed to be followed by ", but not limited to," whether or not they are in fact followed by such words or words of like import. "Hereof", "herein", "hereunder" and comparable terms refer, unless otherwise expressly indicated, to the entire agreement or instrument in which such terms are used and not to any particular article, section or other subdivision thereof or attachment thereto. References in an instrument to "Article", "Section", "Subsection" or another subdivision or to an attachment are, unless the context otherwise requires, to an article, section, subsection or subdivision of or an attachment to such agreement or instrument.

27. SEVERABILITY

If any provision of this Agreement is unenforceable, the remaining provisions shall nevertheless be kept in effect.

28. EFFECTIVE DATE

The date this Agreement is countersigned by the City Controller of the City of Houston shall be the "Effective Date" of this Agreement.

29. ENTIRE AGREEMENT

This Agreement contains the entire agreement between the Parties and supersedes all prior agreements, oral or written, with respect to the subject matter hereof. The provisions of this Agreement shall be construed as a whole and not strictly for or against any Party.

30. AS-IS; DISCLAIMER

(a) THE CITY HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY DISCLAIMS ANY REPRESENTATIONS, WARRANTIES, PROMISES, COVENANTS, AGREEMENTS OR GUARANTEES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE, OF, AS TO, CONCERNING OR WITH RESPECT TO: (A) THE NATURE, QUALITY OR CONDITION OF THE PROPERTY, INCLUDING, WITHOUT LIMITATION, THE WATER, SOIL AND GEOLOGY; (B) THE SUITABILITY OF THE PROPERTY FOR ANY AND ALL ACTIVITIES AND USES WHICH BUYER MAY CONDUCT THEREON; (C) THE COMPLIANCE OF OR BY THE PROPERTY OR ITS OPERATION WITH ANY LAWS, RULES, ORDINANCES OR REGULATIONS OF ANY APPLICABLE GOVERNMENTAL AUTHORITY OR BODY; (D) THE HABITABILITY, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE PROPERTY; (E) THE PRESENCE OF ANY ENDANGERED OR THREATENED SPECIES ON THE PROPERTY, AS WELL AS THE SUITABILITY OF THE PROPERTY AS HABITAT FOR ANY OF COMPLETENESS OF ANY MATERIALS GENERATED BY THIRD PARTIES FOR THE CITY WHICH ARE PROVIDED TO BUYER UNDER THE PROVISIONS OF THIS AGREEMENT OR OTHERWISE; (G) THE ENFORCEABILITY OR EFFECT OF ANY LEGAL, CONTRACTUAL OR OTHER RIGHTS OR OBLIGATIONS PERTAINING TO THE PROPERTY; OR (H) ANY OTHER MATTER WITH RESPECT TO THE PROPERTY. WITHOUT LIMITING THE FOREGOING, THE CITY DOES NOT MAKE AND HAS NOT MADE ANY REPRESENTATION OR WARRANTY REGARDING THE PRESENCE OR ABSENCE OF ANY HAZARDOUS MATERIAL ON, UNDER OR ABOUT THE PROPERTY OR THE COMPLIANCE OR NON-COMPLIANCE OF THE PROPERTY WITH ANY AND ALL FEDERAL, STATE OR LOCAL ENVIRONMENTAL LAWS, ORDINANCES, REGULATIONS, ORDERS, DECREES OR RULES REGULATING, RELATING TO OR IMPOSING LIABILITY OR STANDARDS OF CONDUCT CONCERNING ANY HAZARDOUS MATERIAL.

(b) BUYER HEREBY ACKNOWLEDGES AND AGREES THAT, BEING GIVEN THE OPPORTUNITY TO INSPECT THE PROPERTY, IF THIS TRANSACTION IS CONSUMMATED, BUYER WILL BE PURCHASING THE PROPERTY PURSUANT TO BUYER'S INDEPENDENT EXAMINATION, STUDY, INSPECTION AND KNOWLEDGE OF THE PROPERTY AND BUYER IS RELYING UPON ITS OWN DETERMINATION OF THE VALUE AND CONDITION OF THE PROPERTY AND NOT ON ANY INFORMATION PROVIDED OR TO BE PROVIDED BY THE CITY. BUYER FURTHER ACKNOWLEDGES AND AGREES THAT ANY INFORMATION PROVIDED OR TO BE PROVIDED WITH RESPECT TO THE PROPERTY WAS OR WILL BE OBTAINED FROM A VARIETY OF SOURCES AND THAT THE CITY HAS NOT MADE AND WILL NOT BE OBLIGATED TO MAKE ANY INDEPENDENT INVESTIGATION OR VERIFICATION OF SUCH INFORMATION AND THE CITY MAKES NO REPRESENTATIONS OR WARRANTIES OF ANY KIND AS TO THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION TO THE EXTENT GENERATED BY THIRD PARTIES FOR THE CITY. BUYER IS RELYING UPON ITS OWN INSPECTIONS, INVESTIGATIONS, RESEARCH AND ANALYSES IN ENTERING INTO THIS AGREEMENT AND IS NOT RELYING IN ANY WAY UPON ANY REPRESENTATIONS, WARRANTIES, STATEMENTS, PLANS,

SPECIFICATIONS, COST ESTIMATES, STUDIES, REPORTS, DESCRIPTIONS, GUIDELINES OR OTHER INFORMATION OR MATERIAL FURNISHED BY THE CITY OR ITS REPRESENTATIVES TO BUYER OR ITS REPRESENTATIVES, WHETHER ORAL OR WRITTEN, EXPRESS OR IMPLIED, OF ANY NATURE WHATSOEVER REGARDING ANY SUCH MATTERS. THE CITY SHALL HAVE NO LIABILITY WITH RESPECT TO THE ACCURACY OR COMPLETENESS OF SUCH DELIVERED INFORMATION.

(c) THE OCCURRENCE OF CLOSING WILL CONSTITUTE AN ACKNOWLEDGEMENT BY BUYER THAT THE PROPERTY WAS ACCEPTED WITHOUT REPRESENTATION OR WARRANTY, STATUTORY, EXPRESS OR IMPLIED, AND OTHERWISE IN AN "AS IS, WHERE IS, AND WITH ALL FAULTS" CONDITION BASED ON BUYER'S OWN INSPECTION THEREOF. BUYER FURTHER ACKNOWLEDGES AND AGREES THAT THERE ARE NO ORAL AGREEMENTS, WARRANTIES OR REPRESENTATIONS COLLATERAL TO OR AFFECTING THE PROPERTY BY THE CITY, ANY AGENT OF THE CITY OR ANY THIRD PARTY. THE CITY IS FURTHER NOT LIABLE OR BOUND IN ANY MANNER BY ANY ORAL OR WRITTEN STATEMENTS, REPRESENTATIONS, OR INFORMATION PERTAINING TO THE PROPERTY FURNISHED BY ANY REAL ESTATE BROKER, AGENT, EMPLOYEE, SERVANT OR OTHER PERSON, UNLESS THE SAME ARE EXPRESSLY SET FORTH OR REFERRED TO HEREIN.

(d) BUYER HEREBY RELEASES THE CITY AND ITS PARTNERS, AGENTS, REPRESENTATIVES, AFFILIATES, OFFICERS, OFFICIALS, SHAREHOLDERS AND EMPLOYEES (TOGETHER WITH THE CITY, THE "CITY RELATED PARTIES") FROM ANY AND ALL CLAIMS, LOSSES, DAMAGES, LIABILITIES, COSTS AND EXPENSES WHICH BUYER OR ANY PARTY RELATED TO OR AFFILIATED WITH BUYER HAS OR MAY HAVE ARISING FROM OR RELATED TO ANY MATTER OR THING RELATED TO THE PROPERTY OR THE PHYSICAL CONDITION OF THE PROPERTY, ANY CONSTRUCTION DEFECTS, ANY ERRORS OR OMISSIONS IN THE DESIGN OR CONSTRUCTION OF THE PROPERTY AND ANY ENVIRONMENTAL CONDITIONS AT, IN, ON OR UNDER THE PROPERTY, AND BUYER WILL NOT LOOK TO ANY OF THE CITY RELATED PARTIES IN CONNECTION WITH THE FOREGOING FOR ANY REDRESS OR RELIEF. THIS RELEASE INCLUDES CLAIMS OF WHICH BUYER IS PRESENTLY UNAWARE OR WHICH BUYER DOES NOT PRESENTLY SUSPECT TO EXIST, WHICH, IF KNOWN BY BUYER, WOULD MATERIALLY AFFECT BUYER'S RELEASE TO THE CITY. THIS RELEASE WILL BE GIVEN FULL FORCE AND EFFECT ACCORDING TO EACH OF ITS EXPRESS TERMS AND PROVISIONS, INCLUDING THOSE RELATING TO UNKNOWN AND UNSUSPECTED CLAIMS, DAMAGES AND CAUSES OF ACTION.

(e) TO THE EXTENT REQUIRED TO BE OPERATIVE, THE DISCLAIMERS, RELEASES AND/OR WARRANTIES CONTAINED IN THIS SECTION ARE "CONSPICUOUS" FOR PURPOSES OF ANY APPLICABLE LAW, RULE, REGULATION OR ORDER.

(f) The terms set forth in the foregoing Sections 30(a) through (e) will survive the Closing and will not merge into the Transfer Documents.

31. RIGHT OF ENTRY

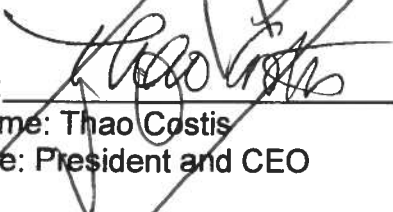
On the Effective Date the City shall deliver to Buyer a Right of Entry Agreement, a specimen of which is attached hereto as **Exhibit "F"**, in futhernace of the provisions and intent of the City of Houston stated in Ordinance No. 2014-755.

[Execution pages follow]

EXECUTED IN MULTIPLE ORIGINAL COUNTERPARTS, each of which shall be an original, which together shall constitute but one and the same instrument, effective as of the date of countersignature by the City Controller of the City of Houston.

BUYER:

SEARCH HOMELESS SERVICES,
a Texas nonprofit corporation

By: 
Name: Thao Costis
Title: President and CEO

ATTEST:

Anna Russell
City Secretary

APPROVED AND RECOMMENDED:



Andrew F. Nicken
Chief Development Officer
Mayor's Office

THE CITY:

THE CITY OF HOUSTON, TEXAS

Annise D. Parker
Mayor of the City of Houston

COUNTERSIGNED

Ronald C. Green
Controller

Countersignature Date:

APPROVED AS TO FORM:

John H. Liles, Jr.
Senior Assistant City Attorney

EXHIBIT "A"

Legal Description of the Real Property

**Lots 9 and 10, Block 187, S.S.B.B., City of Houston, Harris
County, Texas [Parcel No. SY15-027]**

EXHIBIT "B"

Special Warranty Deed
(with Restrictions)

THE STATE OF TEXAS §

COUNTY OF HARRIS §

THE CITY OF HOUSTON, TEXAS, a municipal corporation situated in Harris, Fort Bend and Montgomery Counties, Texas ("Grantor"), for and in consideration of the sum of \$10.00 paid to Grantor, the restrictive covenants set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, has, subject to the matters hereinafter set forth, **GRANTED, SOLD, and CONVEYED** and does hereby **GRANT, SELL and CONVEY** unto **SEARCH HOMELESS SERVICES**, a Texas nonprofit corporation ("Grantee"), whose address is 2505 Fannin, Houston, Texas 77002, the following tract of land:

**Lots 9 and 10, Block 187, S.S.B.B., City of Houston, Harris
County, Texas [Parcel No. SY15-027],**

as more particularly described on **Exhibit "A"** attached hereto and made a part hereof, together with all of Grantor's right, title and interest in and to, if any, (i) all tenements, hereditaments and appurtenances pertaining thereto, (ii) all buildings, structures, fixtures and improvements thereon, (iii) all mineral, water and irrigation rights running with or otherwise pertaining thereto, and (iv) that portion of all public ways abutting or adjoining said land up to the centerline thereof (collectively, the "Property".)

For the benefit of Grantor and its successors and assigns (collectively with Grantor, the "Enforcement Parties"), Grantor hereby establishes and imposes against the Property the following restrictive covenants which hereafter shall run with the land and burden the Property and all portions thereof for the time period set out therein, and such restrictive covenants may be amended or terminated only by written agreement executed by each of the Enforcement Parties:

Grantor is conveying this property to Grantee for the purpose of constructing and operating a facility to provide services to people experiencing or at risk of experiencing homelessness within the City of Houston, Texas (the "Project".)

Grantee hereby covenants that, within 24 months after the date of this Deed, Grantee will have (i) received all necessary approvals for the Project and (ii) begun construction of the Project and (iii) construction will be complete within 48 months of the date of this deed. In the event that Grantee has not performed the 3 covenants in the immediately preceding sentence within such time period, but has demonstrated a diligent good faith effort to do so, Grantor may in its sole discretion extend such time period. When either such time period expires, Grantor may (but is not obligated to) cause the Property to revert to Grantor by executing and recording an instrument that references this Deed and certifies that such covenants were not performed. No other action shall be necessary to cause the Property to revert; however, in the event that Grantor so requests, Grantee agrees that it will execute an appropriate instrument

ratifying the reversion of the Property to Grantor. With respect to any approvals in item (i) above that must be obtained from Grantor or its employees or representatives, Grantor agrees that it will use all reasonable efforts so that any and all such approvals will not to be unreasonably withheld or delayed.

For 5 years after the date of this Deed, if Grantee, its successors or assigns, shall cease to use the Property to provide services to people experiencing or at risk of experiencing homelessness within the City of Houston for a period of 6 or more consecutive calendar months, excluding periods when such use was rendered impracticable by an event beyond the reasonable control of Grantee, its successors or assigns, whether or not foreseeable, including, without limitation: fire, flood, windstorm, earthquake or other disaster or calamity; disruption of utility service; governmental action; acts of war (whether declared or undeclared), invasion, blockade or sabotage; terrorism or threat thereof; riot, civil disturbance, insurrection or acts of public enemies; and strike, lockout or other labor action, upon demand from Grantor to pay Grantor the amount of \$270,000 less the value of the Services provided by Grantee under Exhibit "B" hereto since the date of this Deed.

For 15 years after the date of this Deed, Grantee covenants that, as part of the consideration for this conveyance, it will not sell, assign, convey, lease, or otherwise transfer the Property or any part of the Property without approval of the City of Houston. Grantee may obtain consent from the City, which shall not be unreasonably withheld to sell, assign, convey, lease, or otherwise transfer the Property to another non-profit public service organization that will develop the Property and use it primarily to provide services to people experiencing or at risk of experiencing homelessness within the City of Houston. Grantee will pay the City the full purchase price of \$270,000 in cash if the Property is sold transferred or assigned within 15 years from the Completion Date, without the City's approval, or if sold transferred or assigned to someone other than another non-profit public service organization that will continue to use the property primarily to provide services to people experiencing or at risk of experiencing homelessness within the City of Houston.

Without limiting the provisions above, the parties agree that the provisions of this restriction will be deemed to be covenants running with the land and create burdens on the property being conveyed to Grantee.

Grantor and Grantee agree and acknowledge that the use of the Property in violation of such restrictive covenants would cause irreparable harm to the Enforcement Parties. The restrictive covenants set forth herein shall be enforceable by the Enforcement Parties, each of whom shall have the right to obtain such relief as may be available through any court of law to enjoin, remedy or prevent the breach thereof and to enforce the same and recover damages for the breach thereof. In any action to restrain or enjoin a violation of the restrictive covenants set out herein: (i) the enforcement Parties need not establish immediate and/or irreparable harm (the parties agree and stipulate that any breach or threatened breach will cause immediate and irreparable harm); (ii) the Enforcement Parties need not establish the balance of harm weighs in favor of granting injunctive relief (the parties agree and stipulate that any such breach or threatened breach will cause the harm to the Enforcement Parties to substantially outweigh any possible harm to any other person); (iii) the Enforcement

Parties need not establish that the injunctive relief will serve, and will not disserve, the public interest (the parties agree and stipulate that enjoining any breach or threatened breach will serve, and will not disserve, the public interest); and (iv) the Enforcement Parties need not establish the inadequacy of other remedies at law or in equity (the parties agree and stipulate that the Enforcement Parties will have no adequate alternative remedy in the event of any breach or threatened breach). The parties agree that (i) the foregoing agreements and stipulations are a material consideration for this agreement, (ii) such agreements and stipulations were a material inducement for Grantor's execution of this deed and (iii) but for such agreements and stipulations, the City would not have agreed to convey the Property to Grantee for the agreed upon price. Each party waives its right to assert any claim or argument contrary to the foregoing agreements and stipulations. The parties agree that upon approval of Grantor's application for injunctive relief Grantor shall not be required to post a bond.

No failure or delay of the Enforcement Parties, in any one or more instances (i) in exercising any power, right or remedy under this deed or (ii) in insisting upon the strict performance by Grantee, its successors or assigns, of the covenants, obligations or agreements hereunder, shall operate as a waiver, discharge or invalidation thereof, nor shall any single or partial exercise of any such right, power or remedy or insistence on strict performance, or any abandonment or discontinuance of steps to enforce such a right, power or remedy or to enforce strict performance, preclude any other or future exercise thereof or insistence thereupon or the exercise of any other right, power or remedy. The covenants, obligations and agreements of Grantee, its successors and assigns and the rights and remedies of Enforcement Parties upon a default shall continue and remain in full force and effect with respect to any subsequent breach, act or omission, unless a written instrument which specifically waives such restrictions, covenants, obligations and agreements executed by each of the Enforcement Parties is recorded in the real property records of Harris County, Texas.

This conveyance is made and accepted subject to all liens, exceptions, encumbrances, restrictions, easements, public utilities, conditions, restrictions, including without limitation the conditions, reservations, covenants and restrictions, as amended, and other matters existing or of record in the Office of the County Clerk of Harris County, Texas, to the extent that same are valid and subsisting, and affect the Property hereby conveyed. This conveyance is also made subject to ad valorem taxes applicable to the Property (the "Permitted Encumbrances").

Grantor and Grantee expressly agree that the Property is being sold by Grantor and purchased by Grantee **"AS IS" WITH ALL FAULTS OF ANY KIND, INCLUDING ENVIRONMENTAL FAULTS (WHETHER ABOVE, WITHIN, ON OR UNDER THE PROPERTY), AND GRANTOR MAKES NO WARRANTIES, EXPRESSED OR IMPLIED, AS TO THE FITNESS, ENVIRONMENTAL COMPLIANCE, MERCHANTABILITY OR HABITABILITY OF THE PROPERTY, EXCEPT THE WARRANTY OF TITLE SET FORTH HEREIN. GRANTOR SPECIFICALLY DISCLAIMS ANY AND ALL WARRANTIES AND REPRESENTATIONS, EXPRESSED OR IMPLIED, AS TO THE STATE OF THE PROPERTY, AND PERSONAL PROPERTY TO BE CONVEYED THEREWITH, ITS CONDITION, QUALITY, QUANTITY, CHARACTER, SIZE, DESCRIPTION OR SUITABILITY OR FITNESS FOR ANY USE OR PURPOSE, WHETHER EXISTING OR CONTEMPLATED, EXCEPT AS SPECIFICALLY SET FORTH IN THIS DEED.**

TO HAVE AND TO HOLD the Property, together with all rights and appurtenances pertaining thereto, unto Grantee and Grantee's successors and assigns forever, subject to the Permitted Encumbrances and other matters set forth herein; and, subject to the Permitted Encumbrances and other matters herein set forth, Grantor does hereby bind Grantor and its successors and assigns to warrant and forever defend the Property unto Grantee and Grantee's successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof, by, through or under Grantor, but not otherwise.

[Signature pages follow]

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective as of the ____ day of _____, 2014.

GRANTOR:

ATTEST:

THE CITY OF HOUSTON, TEXAS

Anna Russell
City Secretary

Annise D. Parker
Mayor of the City of Houston

THE STATE OF TEXAS §

COUNTY OF HARRIS §

This instrument was acknowledged before me on the _____ day of _____, 2014, by Annise D. Parker, Mayor of **THE CITY OF HOUSTON, TEXAS**, a municipal corporation situated in Harris, Fort Bend and Montgomery Counties, Texas, on behalf of said corporation.

Notary Public, State of Texas

(Notary Seal)

APPROVED AS TO FORM:

John H. Liles, Jr.
Senior Assistant City Attorney

GRANTEE:

SEARCH HOMELESS SERVICES,
a Texas nonprofit corporation

By: _____
Name: Thao Costis
Title: President and CEO

THE STATE OF TEXAS §

COUNTY OF HARRIS §

This instrument was acknowledged before me on the _____ day of _____, 2014, by Thao Costis, President and CEO of **SEARCH HOMELESS SERVICES**, a Texas nonprofit corporation, on behalf of said nonprofit corporation.

Notary Public, State of Texas

(Notary Seal)

AFTER RECORDING, RETURN TO:

EXHIBIT "A"
[to the deed]

Legal Description of the Real Property

**Lots 9 and 10, Block 187, S.S.B.B., City of Houston, Harris
County, Texas [Parcel No. SY15-027]**

EXHIBIT "B"
[to the deed]

Services to be Provided by Grantee

[same as Exhibit "C" to the Purchase and Sale Agreement]

EXHIBIT "C"

Services Rendered

SEARCH Homeless Services History and Summary of Programs

SEARCH Homeless Services was founded in 1989 by a group of concerned citizens and volunteers who responded to the growing number of men, women and children living on the streets of Houston. Initially, the organization served as a day shelter offering meals, showers, laundry service and a mailing address. Today, SEARCH is one of the leading institutions in greater Houston helping people move from the streets, into jobs, and safe, stable housing. In Fiscal Year 2013, SEARCH served 8,039 men, women and children experiencing homelessness. We pursue a mission of providing hope, creating opportunity, and transforming lives.

Many people who experience homelessness require long-term support and a combination of housing, case management, mental and physical health care, all of which they can access through SEARCH and its partner agencies. SEARCH's skilled staff "meet people where they are" and implement evidence-based practices to facilitate their transition toward greater stability and independence.

SEARCH targets three primary population groups: disabled and/or chronically homeless persons, individuals who are employable, and preschool age children. Through services that Engage, Stabilize, Educate, Employ, and House, SEARCH invests over \$6MM annually in public and private resources to serve the community. With the expansion of core services planned over the next three years, SEARCH anticipates that budget to grow to approximately \$9MM per year.

Engage & Stabilize (Current Service cost: \$2.1MM – Expected within 3 years: \$2.5MM): Specialized teams comprised of licensed clinicians work with individuals who've been chronically homeless and seriously mentally ill, engaging and providing case management to more than 2,000 clients each year. Two Disability Specialists help individuals who are unable to work because of their physical or mental conditions to obtain Social Security disability benefits. The Mobile Outreach Program travels through Houston and provides on-the-spot assessment, assistance, intervention, and referrals to over 1,200 individuals living on the streets each year.

SEARCH is instrumental in the implementation of a city-wide coordinated access system, providing trained staff to assess clients for appropriate housing eligibility. Securing a Housing Choice Voucher or other permanent supportive housing is often only the first step for many. SEARCH's Housing Navigators support clients through the daunting process of gathering their paperwork and identification and then finding an apartment and moving.

Employ (Service cost: \$845,000– Expected within 3 years: \$1.5 MM): More than 800 individuals each year, including veterans and other employable individuals, are provided job readiness, skills training, employment placement assistance and case management to build their income and independence. This team will be working with individuals moving into homes through the Rapid Rehousing initiative being developed currently.

Educate (Service cost: \$765,000– Expected within 3 years: \$1.5MM): SEARCH's House of Tiny Treasures is an investment in future generations. This unique school is a nationally accredited early childhood education program for toddler and preschool age children whose parents are working diligently to exit homelessness and build their family's stability. While their parents attend classes or begin working, SEARCH is preparing the children to succeed in school, reach their fullest potential, and break the cycle of homelessness and poverty.

House (Service cost: \$1.1MM – Expected within 3 years: \$2 MM): SEARCH matches our skilled care management staff with residents who were homeless, and are now living in their own apartments with rent/utilities subsidies. This unique combination of long-term housing with skilled counseling and guidance allows individuals with disabilities and other challenges to build greater stability and improve their health. SEARCH is currently working with over 240 households in permanent supportive housing. The number of individuals served will double in the coming year.

Computation of Service Value

Services related to the three primary targeted population groups: disabled and/or chronically homeless persons, individuals who are employable, and preschool age children.

Expanded Service at New Facility	Years to be provided	Annual Value - Today's dollars	Total
Engaging and providing case management to stabilize	15	\$ 2,500,000	\$ 50,000,000
Provided job readiness, skills training, employment placement assistance and case management	15	\$ 1,500,000	\$ 30,000,000
Early childhood education program	15	\$ 1,500,000	\$ 30,000,000
Long-term housing with skilled counsel and guidance	15	\$ 2,000,000	\$ 40,000,000
		Total Service Value	\$ 150,000,000

EXHIBIT "E"

Development Agreement

THIS DEVELOPMENT AGREEMENT (this "Agreement") is made and entered into by and between **SEARCH HOMELESS SERVICES**, a Texas nonprofit corporation ("Developer"), whose address for purposes hereof is 2505 Fannin, Houston, Texas 77002, and **The City of Houston, Texas**, a municipal corporation situated in Harris, Fort Bend and Montgomery Counties, Texas (the "City"), whose address for purposes hereof is P.O. Box 61189, Houston, Texas 77252-1189, Attention: Assistant Director, Real Estate Division, General Services Department.

WHEREAS, the City is the fee simple owner of certain improved real property as more particularly described on **Exhibit "A"** attached hereto and made a part hereof (the "Property"); and

WHEREAS, Developer has proposed to purchase the Property and provide for the continuing development of the Property and its improvements to continue the delivery of community services to the citizens of Houston it in a manner that will be in keeping with its service to the community character; and

WHEREAS, the City believes that the development of the Property proposed by Developer would be a material benefit to the citizens of the City of Houston; and

WHEREAS, Section 272.001(b)(4) of the Texas Local Government Code permits a political subdivision of the State of Texas to sell real property in a direct sale to an independent foundation that will develop the land by contract with the political subdivision; and

WHEREAS, the City and Developer have entered into that certain Purchase and Sale Agreement, with the effective date of _____, 2014 (the "Sale Agreement"), which contemplates that the City and Developer will enter into a written Development Agreement at or prior to the closing of the sale contemplated thereby.

NOW, THEREFORE, the parties hereto hereby agree as follows:

ARTICLE I

All initial capitalized terms that are not defined herein are used as defined in the Sale Agreement.

ARTICLE II

Development of the Property

Section 2.1 Developer hereby agrees to develop the Property (the "Project") in a way that will benefit the general public by including within such development plans accommodations which shall include, without limitation, some of the following uses: Classroom and offices to provide case management services and training for people experiencing or at risk of experiencing homelessness within the City of Houston, including, but not limited to, obtaining employment and safe, stable housing.

Section 2.2 Developer agrees that the Property will be retained by the Developer, or a successor or subsidiary which is a not-for-profit corporation in the State of Texas, as follows: (i) for 5 years after the date of the Deed from the City to Developer, Developer, its successors or assigns, and shall use the Property to provide services to people experiencing or at risk of experiencing homelessness within the City of Houston for a period of 6 or more consecutive calendar months, excluding periods when such use was rendered impracticable by an event beyond the reasonable control of Grantee, its successors or assigns, whether or not foreseeable, including, without limitation: fire, flood, windstorm, earthquake or other disaster or calamity; disruption of utility service; governmental action; acts of war (whether declared or undeclared), invasion, blockade or sabotage; terrorism or threat thereof; riot, civil disturbance, insurrection or acts of public enemies; and strike, lockout or other labor action; (ii) for 15 years after the date of this Deed, Developer covenants that, as part of the consideration for this conveyance, it will not sell, assign, convey, lease, or otherwise transfer the Property or any part of the Property without approval of the City of Houston. Developer may obtain consent from the City, which shall not be unreasonably withheld to sell, assign, convey, lease, or otherwise transfer the Property to another non-profit public service organization that will develop the Property and use it primarily to provide services to people experiencing or at risk of experiencing homelessness within the City of Houston. Developer will pay the City the full purchase price of \$270,000 in cash if the Property is sold transferred or assigned within 15 years from the Completion Date, without the City's approval, or if sold transferred or assigned to someone other than another non-profit public service organization that will continue to use the property primarily to provide services to people experiencing or at risk of experiencing homelessness within the City of Houston.

Section 2.3 Developer agrees that its obligations in this Agreement may be enforced at law or in equity, including but not limited to injunctive relief.

Section 2.4 Developer hereby agrees to continue development of the Property and its improvements to continue the delivery of community services to the citizens of Houston. The delivery of community services to the citizens of Houston covered under this Agreement are shown on **Exhibit "B"** attached hereto and incorporated herein (the "Community Services").

Section 2.5 Developer hereby covenants that, from the date of conveyance pursuant to the subject Deed, Developer will continue to provide the community services as shown on the attachment to the Development agreement for a period of five (5) years commencing on the date of this Agreement.

Section 2.6 Developer shall obtain and maintain in effect all permits, licenses and consents required or necessary for the operation of the Project. Developer shall operate the Project in compliance with the City of Houston Code and all other legal requirements, and will use its best efforts to see the work has been done in manner to meet applicable codes.

Section 2.7 Developer agrees that its obligations in this Agreement may be enforced at law or in equity, including but not limited to injunctive relief.

ARTICLE III

Miscellaneous

Section 3.1 Nothing contained herein shall be deemed or construed by the parties hereto, nor by any third party, as creating the relationship of principal and agent or of partnership or of joint venture between Developer and the City.

Section 3.2 The captions used herein are for convenience only and do not limit or amplify the provisions hereof.

Section 3.3 One or more waivers of any covenant, term or condition of this Agreement by either party shall not be construed as a waiver of a subsequent breach of the same covenant, term or condition. The consent or approval by either party shall not be construed as a waiver of a subsequent breach of the same covenant, term or condition. The consent or approval by either party to or of any act by the other party requiring such consent or approval shall not be deemed to waive or render unnecessary consent to or approval of any subsequent similar act.

Section 3.4 Whenever herein the singular number is used, the same shall include the plural, and words of any gender shall include each other gender.

Section 3.5 This Agreement contains the entire agreement between the parties, and may only be changed, modified, amended or terminated by a written instrument signed by all parties hereto. In the case of the City, the requirement of a written instrument shall specifically and exclusively mean a written instrument signed by the then current Mayor. This Agreement supersedes all prior proposals.

Section 3.6 The laws of the State of Texas shall govern the interpretation, validity, performance and enforcement of this Agreement. Any action brought to enforce or interpret this Agreement shall be brought in the court of appropriate jurisdiction in Houston, Harris County, Texas. Should any provision of this Agreement require judicial interpretation, the parties hereto stipulate that the court interpreting or considering the same shall not apply the presumption that the terms hereof shall be more strictly construed against a party by reason of any rule or conclusion that a document should be construed more strictly against the party who prepared the same, it being agreed that all parties hereto have participated in the preparation of this Agreement and that each party had full opportunity to consult legal counsel of its choice before the execution of this Agreement.

Section 3.7 Each and every agreement contained in this Agreement is, and shall be construed as, a separate and independent agreement. If any provision of this Agreement should be held to be invalid or unenforceable, the validity and enforceability of the remaining provisions of this Agreement shall not be affected thereby.

Section 3.8 All remedies of the City under this Agreement are cumulative, and the election of any remedy by the City shall not foreclose the City from pursuing any other equitable or legal remedy.

Section 3.9 The terms, provisions and covenants contained in this Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors in interest and legal representatives.

Section 3.10 Developer represents and warrants that all consents or approvals required for the execution, delivery and performance of this Agreement have been obtained and that Developer has the right and authority to enter into and perform its covenants and agreements contained in this Agreement.

Section 3.11 Time is of the essence in this Agreement.

Section 3.12 This Agreement is subject to all terms and provisions of the Charter and Code of Ordinances of the City of Houston, Texas, and is subject to approval by the City Council of the City of Houston, Texas, and the signature of the Mayor to this Agreement and countersigned by the City Controller.

Section 3.13 Developer acknowledges that no representation, warranty, approval or agreement in this Agreement by the City (as a party to this Agreement) shall be binding upon, constitute a waiver by or estop the City from exercising any of its rights, powers or duties in its governmental functions pertaining to any regulatory, legislative, permitting, zoning, enforcement (including police powers), licensing or other functions which the City is authorized or required to perform in its capacity as a governmental entity of the State of Texas.

Section 3.14 The City agrees that the City's Planning and Development Department (PD) will not object to Public Works and Engineering (PWE) reviewing construction plans submitted for a building permit and issuing the permit before the final plat is recorded showing the current City owned parcels, being purchased by Developer from City under the purchase and sale agreement associated with this agreement, as part of the overall property. When Developer is ready to submit plans to Code Enforcement if the Chief Development Officer is satisfied that the sale of Lots 9 and 10, Block 187, S.S.B.B., Houston, Harris County, Texas, is moving forward as expected, PD will review the proposed plat and, once it is found to be correct, will submit it for consideration by the Planning Commission. After plat approval by Commission, PD will sign a paper copy of the plat that can be inserted into the plan set(s) submitted for review. Therefore, plan reviews and permitting will not be postponed based on the platting issue. PD will place a hold on final inspection until the plat is recorded. The "hold" will not allow the final inspection to occur until 1) Council passes the ordinance approving the sale of the lots, and 2) the plat is recorded.

[Signature pages follow]

EXECUTED on the date set forth in the acknowledgment set forth below to be effective as of the ____ day of _____, 2014.

THE CITY:

ATTEST:

THE CITY OF HOUSTON, TEXAS

Anna Russell
City Secretary

Annise D. Parker
Mayor of the City of Houston

APPROVED AS TO FORM:

John H. Liles, Jr.
Senior Assistant City Attorney
LD # 033-1100086-001

DEVELOPER:

SEARCH HOMELESS SERVICES,
a Texas nonprofit corporation

By: _____

Name: Thao Costis

Title: President and CEO

EXHIBIT "A"
[to the Development Agreement]

Property Description

**Lots 9 and 10, Block 187, S.S.B.B., City of Houston, Harris
County, Texas [Parcel No. SY15-027]**

EXHIBIT "B"

[to the Development Agreement]

Community Services

The Developer agrees to continue development of the Property and its improvements to continue the delivery of community services to the citizens of Houston. The delivery of community services to the citizens of Houston covered under this Agreement is as follows: Classroom and offices to provide case management services and training for people experiencing or at risk of experiencing homelessness within the City of Houston, including, but not limited to, obtaining employment and safe, stable housing.

EXHIBIT "F"

RIGHT OF ENTRY

THIS RIGHT OF ENTRY (this "Agreement") is entered into effective as of the date (the "Effective Date") of signature by the Grantor (as hereinafter defined) by and between THE CITY OF HOUSTON, TEXAS, a municipal corporation situated in Harris, Fort Bend and Montgomery Counties, Texas, whose address for purposes hereof is P. O. Box 1562, Houston, Texas 77251 ("Grantor"), and SEARCH HOMELESS SERVICES, , a Texas nonprofit corporation, whose address is 2505 Fannin, Houston, Texas 77002, Attention : Ms. Thao Costis ("Grantee").

WITNESSETH:

WHEREAS, Grantor is the owner of that certain tract of real property shown on the drawing and described by metes and bounds attached hereto as Exhibit "A" ("the Property"); and

WHEREAS, Grantee has requested Grantor's permission to enter the Property in furnace of the provisions and intent of City of Houston Ordinance No. 2014-755; and

WHEREAS, Grantor desires to allow Grantee to enter the Property to perform or cause to be performed work accordingly;

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS:

THAT, for and in consideration of the premises and the mutual covenants and agreements herein set forth, the parties hereto hereby agree as follows:

1. Access.

a. Grantee, its employees, agents and contractors will have the right of ingress and egress to the Property, subject to the Grantor's property management policies and practices, and not inconsistent with the Grantor's use of the Property, and other operations incident thereto. Grantor hereby grants Grantee a license to enter the Property (the "License") subject to the terms of this Agreement from time to time during the Term (hereinafter defined) for the following purposes:

b. Mobilization for construction on Grantee's adjoining real property, as described on the meets and bounds description attached hereto as Exhibit "B"; by performing minor earth work grading and creating a gravel yard for construction parking, providing for a location for a job site trailer and for material storage; and/ or

c. Construction of a permanent paved parking lot allowing construction worker's parking, location for a job site trailer and material storage.

2. Costs.

Grantee shall bear any and all costs and expenses associated with:

(i) any work performed by Grantee, its employees, agents and contractors on the Property;

(ii) building of a cage, consisting of 2x4 boards, around each monitoring well located on the Property and to be flagged in a manner approved by Grantor. Additionally, Grantee agrees that no construction materials will be placed within 3 feet of any monitoring well; and

(iii) build a perimeter fence encompassing the entire Property, providing Grantor access 24 hours a day without limitation.

3. Term.

The License granted pursuant to this Agreement shall have a term (the "Term") commencing on the date signed by Grantor's authorized person shown below and be for ___ months.

4. INDEMNIFICATION AND RELEASE OF GRANTOR.

GRANTEE HEREBY AGREES TO INDEMNIFY, DEFEND AND HOLD HARMLESS GRANTOR FROM AND AGAINST ANY AND ALL LOSSES, COSTS, LIABILITIES, CLAIMS, DAMAGES OR INJURIES TO PERSONS OR PROPERTY, COSTS OR EXPENSES (COLLECTIVELY, "CLAIMS") ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR THE EXERCISE OF ANY OF GRANTEE'S RIGHTS HEREUNDER.

5. Miscellaneous.

This Agreement shall be governed by, and construed in accordance with, the laws of the State of Texas. If any provision of this Agreement is determined to be illegal or unenforceable for any reason, the remaining provisions hereof shall not be affected thereby.

CITY OF HOUSTON

By:

Title: _____

Print Name _____

Date: _____

Approved As To Form:

John H. Liles, Jr.
Senior Assistant City Attorney

Accepted: SEARCH HOMELESS SERVICES

By: _____
Name: _____
Title: _____
Date: _____

Development Agreement

THIS DEVELOPMENT AGREEMENT (this "Agreement") is made and entered into by and between **SEARCH HOMELESS SERVICES**, a Texas nonprofit corporation ("Developer"), whose address for purposes hereof is 2505 Fannin, Houston, Texas 77002, and **The City of Houston, Texas**, a municipal corporation situated in Harris, Fort Bend and Montgomery Counties, Texas (the "City"), whose address for purposes hereof is P.O. Box 61189, Houston, Texas 77252-1189, Attention: Assistant Director, Real Estate Division, General Services Department.

WHEREAS, the City is the fee simple owner of certain improved real property as more particularly described on **Exhibit "A"** attached hereto and made a part hereof (the "Property"); and

WHEREAS, Developer has proposed to purchase the Property and provide for the continuing development of the Property and its improvements to continue the delivery of community services to the citizens of Houston it in a manner that will be in keeping with its service to the community character; and

WHEREAS, the City believes that the development of the Property proposed by Developer would be a material benefit to the citizens of the City of Houston; and

WHEREAS, Section 272.001(b)(4) of the Texas Local Government Code permits a political subdivision of the State of Texas to sell real property in a direct sale to an independent foundation that will develop the land by contract with the political subdivision; and

WHEREAS, the City and Developer have entered into that certain Purchase and Sale Agreement, with the effective date of _____, 2014 (the "Sale Agreement"), which contemplates that the City and Developer will enter into a written Development Agreement at or prior to the closing of the sale contemplated thereby.

NOW, THEREFORE, the parties hereto hereby agree as follows:

ARTICLE I

All initial capitalized terms that are not defined herein are used as defined in the Sale Agreement.

ARTICLE II

Development of the Property

Section 2.1 Developer hereby agrees to develop the Property (the "Project") in a way that will benefit the general public by including within such development plans accommodations which shall include, without limitation, some of the following uses: Classroom and offices to provide case management services and training for people experiencing or at risk of experiencing homelessness within the City of Houston, including, but not limited to, obtaining employment and safe, stable housing.

Section 2.2 Developer agrees that the Property will be retained by the Developer, or a successor or subsidiary which is a not-for-profit corporation in the State of Texas, as follows: (i) for 5 years after the date of the Deed from the City to Developer, Developer, its successors or assigns, and shall use the Property to provide services to people experiencing or at risk of experiencing homelessness within the City of Houston for a period of 6 or more consecutive calendar months, excluding periods when such use was rendered impracticable by an event beyond the reasonable control of Grantee, its successors or assigns, whether or not foreseeable, including, without limitation: fire, flood, windstorm, earthquake or other disaster or calamity; disruption of utility service; governmental action; acts of war (whether declared or undeclared), invasion, blockade or sabotage; terrorism or threat thereof; riot, civil disturbance, insurrection or acts of public enemies; and strike, lockout or other labor action; (ii) for 15 years after the date of this Deed, Developer covenants that, as part of the consideration for this conveyance, it will not sell, assign, convey, lease, or otherwise transfer the Property or any part of the Property without approval of the City of Houston. Developer may obtain consent from the City, which shall not be unreasonably withheld to sell, assign, convey, lease, or otherwise transfer the Property to another non-profit public service organization that will develop the Property and use it primarily to provide services to people experiencing or at risk of experiencing homelessness within the City of Houston. Developer will pay the City the full purchase price of \$270,000 in cash if the Property is sold transferred or assigned within 15 years from the Completion Date, without the City's approval, or if sold transferred or assigned to someone other than another non-profit public service organization that will continue to use the property primarily to provide services to people experiencing or at risk of experiencing homelessness within the City of Houston.

Section 2.3 Developer agrees that its obligations in this Agreement may be enforced at law or in equity, including but not limited to injunctive relief.

Section 2.4 Developer hereby agrees to continue development of the Property and its improvements to continue the delivery of community services to the citizens of Houston. The delivery of community services to the citizens of Houston covered under this Agreement are shown on **Exhibit "B"** attached hereto and incorporated herein (the "Community Services").

Section 2.5 Developer hereby covenants that, from the date of conveyance pursuant to the subject Deed, Developer will continue to provide the community services as shown on the attachment to the Development agreement for a period of five (5) years commencing on the date of this Agreement.

Section 2.6 Developer shall obtain and maintain in effect all permits, licenses and consents required or necessary for the operation of the Project. Developer shall operate the Project in compliance with the City of Houston Code and all other legal requirements, and will use its best efforts to see the work has been done in manner to meet applicable codes.

Section 2.7 Developer agrees that its obligations in this Agreement may be enforced at law or in equity, including but not limited to injunctive relief.

ARTICLE III **Miscellaneous**

Section 3.1 Nothing contained herein shall be deemed or construed by the parties hereto, nor by any third party, as creating the relationship of principal and agent or of partnership or of joint venture between Developer and the City.

Section 3.2 The captions used herein are for convenience only and do not limit or amplify the provisions hereof.

Section 3.3 One or more waivers of any covenant, term or condition of this Agreement by either party shall not be construed as a waiver of a subsequent breach of the same covenant, term or condition. The consent or approval by either party shall not be construed as a waiver of a subsequent breach of the same covenant, term or condition. The consent or approval by either party to or of any act by the other party requiring such consent or approval shall not be deemed to waive or render unnecessary consent to or approval of any subsequent similar act.

Section 3.4 Whenever herein the singular number is used, the same shall include the plural, and words of any gender shall include each other gender.

Section 3.5 This Agreement contains the entire agreement between the parties, and may only be changed, modified, amended or terminated by a written instrument signed by all parties hereto. In the case of the City, the requirement of a written instrument shall specifically and exclusively mean a written instrument signed by the then current Mayor. This Agreement supersedes all prior proposals.

Section 3.6 The laws of the State of Texas shall govern the interpretation, validity, performance and enforcement of this Agreement. Any action brought to enforce or interpret this Agreement shall be brought in the court of appropriate jurisdiction in Houston, Harris County, Texas. Should any provision of this Agreement require judicial interpretation, the parties hereto stipulate that the court interpreting or considering the same shall not apply the presumption that the terms hereof shall be more strictly construed against a party by reason of any rule or conclusion that a document should be construed more strictly against the party who prepared the same, it being agreed that all parties hereto have participated in the preparation of this Agreement and that each party had full opportunity to consult legal counsel of its choice before the execution of this Agreement.

Section 3.7 Each and every agreement contained in this Agreement is, and shall be construed as, a separate and independent agreement. If any provision of this Agreement should be held to be invalid or unenforceable, the validity and enforceability of the remaining provisions of this Agreement shall not be affected thereby.

Section 3.8 All remedies of the City under this Agreement are cumulative, and the election of any remedy by the City shall not foreclose the City from pursuing any other equitable or legal remedy.

Section 3.9 The terms, provisions and covenants contained in this Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors in interest and legal representatives.

Section 3.10 Developer represents and warrants that all consents or approvals required for the execution, delivery and performance of this Agreement have been obtained and that Developer has the right and authority to enter into and perform its covenants and agreements contained in this Agreement.

Section 3.11 Time is of the essence in this Agreement.

Section 3.12 This Agreement is subject to all terms and provisions of the Charter and Code of Ordinances of the City of Houston, Texas, and is subject to approval by the City Council of the City of Houston, Texas, and the signature of the Mayor to this Agreement and countersigned by the City Controller.

Section 3.13 Developer acknowledges that no representation, warranty, approval or agreement in this Agreement by the City (as a party to this Agreement) shall be binding upon, constitute a waiver by or estop the City from exercising any of its rights, powers or duties in its governmental functions pertaining to any regulatory, legislative, permitting, zoning, enforcement (including police powers), licensing or other functions which the City is authorized or required to perform in its capacity as a governmental entity of the State of Texas.

Section 3.14 The City agrees that the City's Planning and Development Department (PD) will not object to Public Works and Engineering (PWE) reviewing construction plans submitted for a building permit and issuing the permit before the final plat is recorded showing the current City owned parcels, being purchased by Developer from City under the purchase and sale agreement associated with this agreement, as part of the overall property. When Developer is ready to submit plans to Code Enforcement if the Chief Development Officer is satisfied that the sale of Lots 9 and 10, Block 187, S.S.B.B., Houston, Harris County, Texas, is moving forward as expected, PD will review the proposed plat and, once it is found to be correct, will submit it for consideration by the Planning Commission. After plat approval by Commission, PD will sign a paper copy of the plat that can be inserted into the plan set(s) submitted for review. Therefore, plan reviews and permitting will not be postponed based on the platting issue. PD will place a hold on final inspection until the plat is recorded. The "hold" will not allow the final inspection to occur until 1) Council passes the ordinance approving the sale of the lots, and 2) the plat is recorded.

[Signature pages follow]

EXECUTED on the date set forth in the acknowledgment set forth below to be effective as of the ____ day of _____, 2014.

THE CITY:

ATTEST:

THE CITY OF HOUSTON, TEXAS

Anna Russell
City Secretary

Annise D. Parker
Mayor of the City of Houston

APPROVED AS TO FORM:

John H. Liles, Jr.
Senior Assistant City Attorney
LD # 033-1100086-001

DEVELOPER:

SEARCH HOMELESS SERVICES,
a Texas nonprofit corporation

By: _____
Name: Thao Costis
Title: President and CEO

EXHIBIT "A"

[to the Development Agreement]

Property Description

**Lots 9 and 10, Block 187, S.S.B.B., City of Houston, Harris
County, Texas [Parcel No. SY15-027]**

EXHIBIT "B"

[to the Development Agreement]

Community Services

The Developer agrees to continue development of the Property and its improvements to continue the delivery of community services to the citizens of Houston. The delivery of community services to the citizens of Houston covered under this Agreement is as follows: Classroom and offices to provide case management services and training for people experiencing or at risk of experiencing homelessness within the City of Houston, including, but not limited to, obtaining employment and safe, stable housing.

Special Warranty Deed
(with Restrictions)

THE STATE OF TEXAS §

COUNTY OF HARRIS §

THE CITY OF HOUSTON, TEXAS, a municipal corporation situated in Harris, Fort Bend and Montgomery Counties, Texas ("Grantor"), for and in consideration of the sum of \$10.00 paid to Grantor, the restrictive covenants set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, has, subject to the matters hereinafter set forth, GRANTED, SOLD, and CONVEYED and does hereby GRANT, SELL and CONVEY unto **SEARCH HOMELESS SERVICES**, a Texas nonprofit corporation ("Grantee"), whose address is 2505 Fannin, Houston, Texas 77002, the following tract of land:

**Lots 9 and 10, Block 187, S.S.B.B., City of Houston, Harris
County, Texas [Parcel No. SY15-027],**

as more particularly described on **Exhibit "A"** attached hereto and made a part hereof, together with all of Grantor's right, title and interest in and to, if any, (i) all tenements, hereditaments and appurtenances pertaining thereto, (ii) all buildings, structures, fixtures and improvements thereon, (iii) all mineral, water and irrigation rights running with or otherwise pertaining thereto, and (iv) that portion of all public ways abutting or adjoining said land up to the centerline thereof (collectively, the "Property".)

For the benefit of Grantor and its successors and assigns (collectively with Grantor, the "Enforcement Parties"), Grantor hereby establishes and imposes against the Property the following restrictive covenants which hereafter shall run with the land and burden the Property and all portions thereof for the time period set out therein, and such restrictive covenants may be amended or terminated only by written agreement executed by each of the Enforcement Parties:

Grantor is conveying this property to Grantee for the purpose of constructing and operating a facility to provide services to people experiencing or at risk of experiencing homelessness within the City of Houston, Texas (the "Project.")

Grantee hereby covenants that, within 24 months after the date of this Deed, Grantee will have (i) received all necessary approvals for the Project and (ii) begun construction of the Project and (iii) construction will be complete within 48 months of the date of this deed. In the event that Grantee has not performed the 3 covenants in the immediately preceding sentence within such time period, but has demonstrated a diligent good faith effort to do so, Grantor may in its sole discretion extend such time period. When either such time period expires, Grantor may (but is not obligated to) cause the Property to revert to Grantor by executing and recording an instrument that references this Deed and certifies that such covenants were not performed. No other action shall be necessary to cause the Property to revert; however, in the event that Grantor so requests, Grantee agrees that it will execute an appropriate instrument ratifying the reversion of the Property to Grantor. With respect to any approvals in item (i) above that must be obtained from Grantor or its employees or representatives,

Exhibit "C"

Grantor agrees that it will use all reasonable efforts so that any and all such approvals will not to be unreasonably withheld or delayed.

For 5 years after the date of this Deed, if Grantee, its successors or assigns, shall cease to use the Property to provide services to people experiencing or at risk of experiencing homelessness within the City of Houston for a period of 6 or more consecutive calendar months, excluding periods when such use was rendered impracticable by an event beyond the reasonable control of Grantee, its successors or assigns, whether or not foreseeable, including, without limitation: fire, flood, windstorm, earthquake or other disaster or calamity; disruption of utility service; governmental action; acts of war (whether declared or undeclared), invasion, blockade or sabotage; terrorism or threat thereof; riot, civil disturbance, insurrection or acts of public enemies; and strike, lockout or other labor action, upon demand from Grantor to pay Grantor the amount of \$270,000 less the value of the Services provided by Grantee under Exhibit "B" hereto since the date of this Deed.

For 15 years after the date of this Deed, Grantee covenants that, as part of the consideration for this conveyance, it will not sell, assign, convey, lease, or otherwise transfer the Property or any part of the Property without approval of the City of Houston. Grantee may obtain consent from the City, which shall not be unreasonably withheld to sell, assign, convey, lease, or otherwise transfer the Property to another non-profit public service organization that will develop the Property and use it primarily to provide services to people experiencing or at risk of experiencing homelessness within the City of Houston. Grantee will pay the City the full purchase price of \$270,000 in cash if the Property is sold transferred or assigned within 15 years from the Completion Date, without the City's approval, or if sold transferred or assigned to someone other than another non-profit public service organization that will continue to use the property primarily to provide services to people experiencing or at risk of experiencing homelessness within the City of Houston.

Without limiting the provisions above, the parties agree that the provisions of this restriction will be deemed to be covenants running with the land and create burdens on the property being conveyed to Grantee.

Grantor and Grantee agree and acknowledge that the use of the Property in violation of such restrictive covenants would cause irreparable harm to the Enforcement Parties. The restrictive covenants set forth herein shall be enforceable by the Enforcement Parties, each of whom shall have the right to obtain such relief as may be available through any court of law to enjoin, remedy or prevent the breach thereof and to enforce the same and recover damages for the breach thereof. In any action to restrain or enjoin a violation of the restrictive covenants set out herein: (i) the enforcement Parties need not establish immediate and/or irreparable harm (the parties agree and stipulate that any breach or threatened breach will cause immediate and irreparable harm); (ii) the Enforcement Parties need not establish the balance of harm weighs in favor of granting injunctive relief (the parties agree and stipulate that any such breach or threatened breach will cause the harm to the Enforcement Parties to substantially outweigh any possible harm to any other person); (iii) the Enforcement Parties need not establish that the injunctive relief will serve, and will not disserve, the public interest (the parties agree and stipulate that enjoining any breach or threatened

breach will serve, and will not disserve, the public interest); and (iv) the Enforcement Parties need not establish the inadequacy of other remedies at law or in equity (the parties agree and stipulate that the Enforcement Parties will have no adequate alternative remedy in the event of any breach or threatened breach). The parties agree that (i) the foregoing agreements and stipulations are a material consideration for this agreement, (ii) such agreements and stipulations were a material inducement for Grantor's execution of this deed and (iii) but for such agreements and stipulations, the City would not have agreed to convey the Property to Grantee for the agreed upon price. Each party waives its right to assert any claim or argument contrary to the foregoing agreements and stipulations. The parties agree that upon approval of Grantor's application for injunctive relief Grantor shall not be required to post a bond.

No failure or delay of the Enforcement Parties, in any one or more instances (i) in exercising any power, right or remedy under this deed or (ii) in insisting upon the strict performance by Grantee, its successors or assigns, of the covenants, obligations or agreements hereunder, shall operate as a waiver, discharge or invalidation thereof, nor shall any single or partial exercise of any such right, power or remedy or insistence on strict performance, or any abandonment or discontinuance of steps to enforce such a right, power or remedy or to enforce strict performance, preclude any other or future exercise thereof or insistence thereupon or the exercise of any other right, power or remedy. The covenants, obligations and agreements of Grantee, its successors and assigns and the rights and remedies of Enforcement Parties upon a default shall continue and remain in full force and effect with respect to any subsequent breach, act or omission, unless a written instrument which specifically waives such restrictions, covenants, obligations and agreements executed by each of the Enforcement Parties is recorded in the real property records of Harris County, Texas.

This conveyance is made and accepted subject to all liens, exceptions, encumbrances, restrictions, easements, public utilities, conditions, restrictions, including without limitation the conditions, reservations, covenants and restrictions, as amended, and other matters existing or of record in the Office of the County Clerk of Harris County, Texas, to the extent that same are valid and subsisting, and affect the Property hereby conveyed. This conveyance is also made subject to ad valorem taxes applicable to the Property (the "Permitted Encumbrances").

Grantor and Grantee expressly agree that the Property is being sold by Grantor and purchased by Grantee **"AS IS" WITH ALL FAULTS OF ANY KIND, INCLUDING ENVIRONMENTAL FAULTS (WHETHER ABOVE, WITHIN, ON OR UNDER THE PROPERTY), AND GRANTOR MAKES NO WARRANTIES, EXPRESSED OR IMPLIED, AS TO THE FITNESS, ENVIRONMENTAL COMPLIANCE, MERCHANTABILITY OR HABITABILITY OF THE PROPERTY, EXCEPT THE WARRANTY OF TITLE SET FORTH HEREIN. GRANTOR SPECIFICALLY DISCLAIMS ANY AND ALL WARRANTIES AND REPRESENTATIONS, EXPRESSED OR IMPLIED, AS TO THE STATE OF THE PROPERTY, AND PERSONAL PROPERTY TO BE CONVEYED THEREWITH, ITS CONDITION, QUALITY, QUANTITY, CHARACTER, SIZE, DESCRIPTION OR SUITABILITY OR FITNESS FOR ANY USE OR PURPOSE, WHETHER EXISTING OR CONTEMPLATED, EXCEPT AS SPECIFICALLY SET FORTH IN THIS DEED.**

TO HAVE AND TO HOLD the Property, together with all rights and appurtenances pertaining thereto, unto Grantee and Grantee's successors and assigns forever, subject to the Permitted Encumbrances and other matters set forth herein; and, subject to the Permitted Encumbrances and other matters herein set forth, Grantor does hereby bind Grantor and its successors and assigns to warrant and forever defend the Property unto Grantee and Grantee's successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof, by, through or under Grantor, but not otherwise.

[Signature pages follow]

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective as of the ____ day of _____, 2014.

GRANTOR:

ATTEST:

THE CITY OF HOUSTON, TEXAS

Anna Russell
City Secretary

Annise D. Parker
Mayor of the City of Houston

THE STATE OF TEXAS §

COUNTY OF HARRIS §

This instrument was acknowledged before me on the _____ day of _____, 2014, by Annise D. Parker, Mayor of **THE CITY OF HOUSTON, TEXAS**, a municipal corporation situated in Harris, Fort Bend and Montgomery Counties, Texas, on behalf of said corporation.

Notary Public, State of Texas

(Notary Seal)

APPROVED AS TO FORM:

John H. Liles, Jr.
Senior Assistant City Attorney

GRANTEE:

SEARCH HOMELESS SERVICES,
a Texas nonprofit corporation

By: _____

Name: Thao Costis

Title: President and CEO

THE STATE OF TEXAS §

COUNTY OF HARRIS §

This instrument was acknowledged before me on the _____ day of _____, 2014, by Thao Costis, President and CEO of **SEARCH HOMELESS SERVICES**, a Texas nonprofit corporation, on behalf of said nonprofit corporation.

Notary Public, State of Texas

(Notary Seal)

AFTER RECORDING, RETURN TO:

EXHIBIT "A"
[to the deed]

Legal Description of the Real Property

**Lots 9 and 10, Block 187, S.S.B.B., City of Houston, Harris
County, Texas [Parcel No. SY15-027]**

EXHIBIT "B"
[to the deed]

Services to be Provided by Grantee

[same as Exhibit "C" to the Purchase and Sale Agreement]

EXHIBIT "C"

Services Rendered

SEARCH Homeless Services History and Summary of Programs

SEARCH Homeless Services was founded in 1989 by a group of concerned citizens and volunteers who responded to the growing number of men, women and children living on the streets of Houston. Initially, the organization served as a day shelter offering meals, showers, laundry service and a mailing address. Today, SEARCH is one of the leading institutions in greater Houston helping people move from the streets, into jobs, and safe, stable housing. In Fiscal Year 2013, SEARCH served 8,039 men, women and children experiencing homelessness. We pursue a mission of providing hope, creating opportunity, and transforming lives.

Many people who experience homelessness require long-term support and a combination of housing, case management, mental and physical health care, all of which they can access through SEARCH and its partner agencies. SEARCH's skilled staff "meet people where they are" and implement evidence-based practices to facilitate their transition toward greater stability and independence.

SEARCH targets three primary population groups: disabled and/or chronically homeless persons, individuals who are employable, and preschool age children. Through services that Engage, Stabilize, Educate, Employ, and House, SEARCH invests over \$6MM annually in public and private resources to serve the community. With the expansion of core services planned over the next three years, SEARCH anticipates that budget to grow to approximately \$9MM per year.

Engage & Stabilize (Current Service cost: \$2.1MM – Expected within 3 years: \$2.5MM): Specialized teams comprised of licensed clinicians work with individuals who've been chronically homeless and seriously mentally ill, engaging and providing case management to more than 2,000 clients each year. Two Disability Specialists help individuals who are unable to work because of their physical or mental conditions to obtain Social Security disability benefits. The Mobile Outreach Program travels through Houston and provides on-the-spot assessment, assistance, intervention, and referrals to over 1,200 individuals living on the streets each year.

SEARCH is instrumental in the implementation of a city-wide coordinated access system, providing trained staff to assess clients for appropriate housing eligibility. Securing a Housing Choice Voucher or other permanent supportive housing is often only the first step for many. SEARCH's Housing Navigators support clients through the daunting process of gathering their paperwork and identification and then finding an apartment and moving.

Employ (Service cost: \$845,000– Expected within 3 years: \$1.5 MM): More than 800 individuals each year, including veterans and other employable individuals, are provided job readiness, skills training, employment placement assistance and case management to build their income and independence. This team will be working with individuals moving into homes through the Rapid Rehousing initiative being developed currently.

Educate (Service cost: \$765,000– Expected within 3 years: \$1.5MM): SEARCH's House of Tiny Treasures is an investment in future generations. This unique school is a nationally accredited early childhood education program for toddler and preschool age children whose parents are working diligently to exit homelessness and build their family's stability. While their parents attend classes or begin working, SEARCH is preparing the children to succeed in school, reach their fullest potential, and break the cycle of homelessness and poverty.

House (Service cost: \$1.1MM – Expected within 3 years: \$2 MM): SEARCH matches our skilled care management staff with residents who were homeless, and are now living in their own apartments with rent/utilities subsidies. This unique combination of long-term housing with skilled counseling and guidance allows individuals with disabilities and other challenges to build greater stability and improve their health. SEARCH is currently working with over 240 households in permanent supportive housing. The number of individuals served will double in the coming year.

Computation of Service Value

Services related to the three primary targeted population groups: disabled and/or chronically homeless persons, individuals who are employable, and preschool age children.

Expanded Service at New Facility	Years to be provided	Annual Value - Today's dollars	Total
Engaging and providing case management to stabilize	15	\$ 2,500,000	\$ 50,000,000
Provided job readiness, skills training, employment placement assistance and case management	15	\$ 1,500,000	\$ 30,000,000
Early childhood education program	15	\$ 1,500,000	\$ 30,000,000
Long-term housing with skilled counsel and guidance	15	\$ 2,000,000	\$ 40,000,000
		Total Service Value	\$ 150,000,000