Application Number: 20213  
Submitted Date: 1/7/2020 2:52PM  
Submitted By: Sarah Anderson

### Contact Information

<table>
<thead>
<tr>
<th>Role</th>
<th>Name</th>
<th>Phone</th>
<th>Email</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary Contact</td>
<td>Josefina Garcia</td>
<td>417-882-1701</td>
<td><a href="mailto:jgarcia@hamiltoncorporation.com">jgarcia@hamiltoncorporation.com</a></td>
</tr>
<tr>
<td>Secondary Contact</td>
<td>Alyssa Carpenter</td>
<td>512-789-1295</td>
<td><a href="mailto:ajcarpen@gmail.com">ajcarpen@gmail.com</a></td>
</tr>
<tr>
<td>Consultant Contact</td>
<td>Alyssa Carpenter</td>
<td>512-789-1295</td>
<td><a href="mailto:ajcarpen@gmail.com">ajcarpen@gmail.com</a></td>
</tr>
</tbody>
</table>

### Development Information

| Name of Proposed Entity   | Reno Village Apartments, LP |
| Development Name          | Reno Village Apartments    |
| Development Type          | Acq/Rehab                  |
| Secondary Type            | None                       |
| Previous TDHCA #          | 92054                      |
| Initial Construction Year | 1992                       |
| Units Demolished          | 0                          |
| Units Reconstructed       |                            |
| # of Non-Contiguous Sites | 1                          |
| # of Census Tracts        | 4                          |
| Target Population         | General                    |
| Development Address       | 7075 Lamar Rd              |
|                          | Reno, TX 75462             |
| ETJ?                     | N                          |
| County                   | Lamar                      |
| Region                   | 4                          |
| Rural/Urban              | Rural                      |
| Census Tracts            | 48277000402                |
| Total LI Units           | 24                         |
| Total MR Units           | 0                          |
| Total Units              | 24                         |
| HTC Request              | $250,000.00                |
| Pre-App Fee Due          | $240.00                    |
| Has Fee already submitted? | No                       |
| Name on Check            |                            |
| Check Number             |                            |
| Set-Aside Election       | USDA                       |

### Notifications

| U.S. Representative      | John Ratcliffe            | District: 4 |
| State Senator            | Bryan Hughes              | District: 1 |
| State Representative     | Gary VanDeaver            | District: 1 |
School Superintendent: Kelli Stewart
School District: North Lamar ISD
School District Address: 3130 North Main
Paris, TX 75460

Presiding Officer of Board of Trustees: Jeff Martin
Address: 3130 North Main
Paris, TX 75460

Elected Officials: Brandon Bell
Lawrence Malone
Lonnie Layton
Ronnie Bass
Kevin Anderson
Bart Jetton
Joey McCarthy
Patricia Wood
Stacey Nichols
Amanda Willows
Brandon Thomas

County Judge
Brandon Bell
County Commissioner
Lawrence Malone
County Commissioner
Lonnie Layton
County Commissioner
Ronnie Bass
County Commissioner
Kevin Anderson
Mayor
Bart Jetton
City Council Member
Joey McCarthy
City Council Member
Patricia Wood
City Council Member
Stacey Nichols
City Council Member
Amanda Willows
City Council Member
Brandon Thomas
City Council Member

Neighborhood Organizations: None

Competitive Housing Tax Credit Selection Self-Score

Criteria Promoting Development of High Quality Housing

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

Criteria to Serve and Support Texans Most in Need

Income Levels of Residents: 15
Rent Levels of Residents: 11
Resident Services: 11
Opportunity Index: 7
Underserved Area: 4
Tenant Populations with Special Housing Needs: 3
Proximity to Jobs: 0
Serve and Support Texans Most in Need Total: 51

Criteria Promoting Community Support and Engagement

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

Financial Feasibility: 26
Cost of Development per Square Foot: 12
Pre-Application Participation: 6
Leveraging Private, State and Federal Resources: 3
Extended Affordability: 4
Historic Preservation: 0
Right of First Refusal: 1
Funding Request Amount: 1
Efficient Use of Limited Resources and Applicant Accountability Total: 53

Point Adjustment: 132

Total Applicant Self-Score: 132

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

Readiness to Proceed: 0 points
Government Support: 17 points
Quantifiable Community Participation: 4 points
Community Support from a State Representative: 8 points
Input from Community Organizations: 4 points
Concerted Revitalization Plan: 0 points

Attachments and Certifications

Site Control Documentation: site control_reno village apartments.pdf

Census Tract Map: USDA_map-Census tract_reno village.pdf

Neighborhood Risk Factors:

Other Pertinent Information:
OPTION AGREEMENT
(Reno Plaza)

THIS OPTION AGREEMENT ("Agreement") is made between Rural Housing Developers – Texas, LLC, a Texas limited liability company, its successors or assignees (as applicable, the “Buyer”), whose notice address for notices by mail is 3556 S. Culpepper, Suite 4, Springfield, MO 65804, Attention: Ryan Hamilton, and Reno Plaza Apartments of Reno, Texas, Ltd., a Texas limited partnership ("Owner"), whose notice address by mail is 2900 N Government Way, #88, Coeur d'Alene, ID 83815, Attention: Gary L. Maddock. The effective date of this Agreement (the “Effective Date”) shall be the date of execution by Owner, as specified beside Owner’s execution below.

RECITALS:

A. Owner is the fee simple owner of that certain real property more particularly described on Exhibit A attached as a part hereof (the “Land”), together with (1) all easements, rights of way, appurtenances and other rights, if any, pertaining thereto (collectively, the “Appurtenances”); and (2) the buildings, parking areas, access ways and other improvements located on the Land (collectively, the “Improvements”). The Land, Appurtenances and Improvements are hereinafter collectively called the “Real Property.” The Real Property constitutes a 24-unit multi-family housing project located in Reno, Parker County, Texas, and commonly known as the “Reno Plaza.” The Real Property, the Owner’s interest in any and all residential leases applicable to the Real Property (herein “Leases”), and any personal property of Owner located at the Real Property and used in conjunction with the ownership, leasing, management, maintenance, or repair thereof (the “Personal Property”), are herein collectively called the “Property.”

B. Buyer wishes to obtain an option to purchase the Property on the terms hereinafter set forth, and Owner is willing to grant a purchase option to Buyer on the terms hereinafter set forth.

AGREEMENTS:

NOW THEREFORE, in consideration of the mutual promises contained herein, the payment by Buyer of the Option Price, as hereinafter defined, to Owner, and other good and valuable, consideration, the receipt and sufficiency of which are hereby acknowledged by both parties hereto, the parties agree as follows:

1. Grant of Option; Option Price.

1.1 Grant. Owner hereby grants to Buyer the irrevocable and exclusive option to purchase the Property (and not less than all the Property) upon the terms and conditions hereinafter set forth (the “Option”). The Option shall commence upon the effective date of this Agreement and shall expire on the earlier of (a) Buyer’s election to terminate the Option pursuant to the terms hereof (the “Termination Election”), which Termination Election may be exercised by Buyer at any time by Buyer’s giving Owner written notice thereof (the “Termination Notice”);
or (b) 5:00 p.m. (CDT/CST) on October 31, 2024 (the "Option Expiration Date"). As used herein, the term "Option Term" shall mean the original term of the Option together with any extension thereof. Owner shall not be obligated to extend the Option Term beyond the Option Expiration Date stated above.

1.2 Option Price. At the time this Agreement has been executed by Owner and Buyer and as a condition of this Agreement becoming effective, Buyer shall pay Owner the sum of $10.00 (the "Option Price"). Owner acknowledges that Buyer will incur additional costs and expenses in evaluating the property, seeking tax credits to assist in the rehabilitation of the Improvements, and seeking approval to assume the RD Loan (as hereinafter defined). Such additional costs and expenses and Buyer’s reliance on this Agreement to preserve its right to purchase the Property should Buyer be allocated such tax credits for the Property and be permitted to assume the RD Loan, will constitute additional consideration for the Option.

2. Exercise of Option.

2.1 Time and Method of Exercise. At any time during the Option Term, Buyer may exercise the Option by giving Owner written notice (the "Exercise Notice") stating that Buyer exercises the Option. The Option shall be deemed timely exercised if the Exercise Notice is received by Owner prior to the expiration of the Option Term. The provisions of Section 12 below shall govern notices under this Agreement, including the Exercise Notice. Owner agrees that Buyer may file a copy of the Exercise Notice, with the legal description of the Property attached, in the office of the County Clerk of Parker County, Texas (the "County Clerk") as evidence of its exercise of the Option.

2.2 Failure To Exercise. In the event that Buyer fails to exercise the option before the end of the Option Term, the Option shall automatically terminate at the end of the Option Term, without further notice to Buyer, and thereafter this Option Agreement shall be of no further force or effect, except for the last sentence of Section 6.3 and Section 7 and the provisions of Section 2 of the Master Purchase Agreement entered into simultaneously with this Option Agreement ("Master Agreement").

3. Purchase Price and Form of Closing Documents. In the event that Buyer exercises the Option, the total Purchase Price (the "Purchase Price") for the Property shall be $168,000.00 or $7,000.00 per residential unit, whichever is less, plus the assumption at Closing of the existing USDA Rural Development Section 515 Loan secured by the Property which is in the current approximate amount of $518,869.00 as of December 31, 2018 (the "RD Loan"). Promptly after receipt of the Exercise Notice, the parties shall use good faith efforts to mutually agree upon the form and substance of the Closing Documents, as hereinafter defined.

4. Closing. The consummation of the purchase and sale of the Property (the "Closing") shall take place at a day and time mutually agreeable to Buyer and Owner not later than ninety (90) days after the Exercise Notice is given by Buyer. The Closing shall take place at the offices of a title insurance company agent mutually acceptable to Owner and Buyer (the "Closing Agent"), or at such other place as the parties hereto shall mutually agree upon in writing. At the Closing and provided Buyer pays the full Purchase Price in immediately available funds,
Owner and/or Buyer, as applicable, shall execute and deliver the following: (a) a special warranty deed (the “Deed”) conveying the Real Property to Buyer, subject to those matters listed on Schedule 1 attached as a part hereof (the “Permitted Title Exceptions” which term shall also include any Title Objections, as hereinafter defined, which Owner is not obligated to cure and has not elected to cure); (b) an Assignment and Assumption Agreement (the “Lease Assignment”) pursuant to which Owner shall assign to Buyer all of Owner’s right, title, and interest under the Leases and Buyer shall assume Owner’s obligations under the Leases; (c) a bill of sale and assignment conveying to Buyer any tangible and intangible Personal Property which is a part of the Property (the “Bill of Sale”); (d) any required notices to be given to the tenants of the Property advising them of the transfer to Buyer; (e) the Owner’s Substitute 1099-S certification; (f) a FIRPTA affidavit stating the United States taxpayer identification number of Owner and that Owner is not a foreign person as defined in Internal Revenue Code Section 1445(b)(2); (g) the settlement statement prepared by the title insurance agent; (h) any seller’s affidavits customarily required by title insurance companies to enable buyers of similar properties to obtain customary title insurance coverages; and (i) such other documentation and assurances as Buyer, Owner, the Closing Agent, the Title Insurer, Buyer’s lenders, the Texas Department of Housing & Community Affairs (“TDHCA”), USDA Rural Development (“RD”), and Buyer’s investors may reasonably request. The documents listed in clauses (a) through (i) above are herein called the “Closing Documents.” At the Closing, Buyer shall, as a condition to Owner’s obligations, pay the balance of the Purchase Price (subject to prorations and adjustments as hereinafter provided) to Owner in immediately available funds and execute and deliver to Owner those Closing Documents Buyer is required to execute. At Closing, Owner shall deliver to Buyer possession of the Property, subject to the rights of tenants. Owner’s obligations under this Option are contingent upon receipt of evidence satisfactory to Buyer that Owner has possession of the Property and has received all approvals and authorizations to sell the Property to Buyer (including authorizations that Gary Maddock and/or his affiliate Megan entities control Owner), excluding the approvals of RD and TDHCA which are Buyer’s obligations to obtain.

5. Transaction Costs and Prorations.

5.1 Owner’s Transaction Costs. Owner shall pay the following costs: (a) all of the costs necessary to satisfy any mortgages or other liens on the Property (excluding the RD Loan), and cure or satisfy any other Title Objections that Owner has elected to cure or satisfy; (b) the costs and fees of Owner’s counsel; (c) the cost to satisfy any requirements pertaining to Owner contained in the Title Commitment, as hereinafter defined (but not the removal of any Permitted Title Exceptions or Title Objections that Owner has not agreed to remove); (d) the cost to record the Deed and any other Closing Documents; (e) one-half (1/2) of Closing Agent’s closing fee; and (f) all other costs and expenses of Owner specified elsewhere in this Agreement.

5.2 Buyer’s Transaction Costs. Buyer shall pay the following costs: (a) the cost of any Survey required by Buyer; (b) the costs and fees of Buyer’s counsel; (c) the premium for the Title Policy, any loan policy(ies) of title insurance required by Buyer’s lender(s), and any special endorsements or coverages; (d) the cost to satisfy any requirements pertaining to Buyer, or the financing of Buyer’s purchase, contained in the Title Commitment, or the costs of its application for or obtaining an allocation of low-income housing tax credits (“LIHTC”) from TDHCA under §42 of the Internal Revenue Code of 1986, as amended; (e) any costs related to
Buyer’s assumption of the RD Loan and any other financing of Buyer’s purchase of the Property; (f) one-half (1/2) of Closing Agent’s closing fee; and (g) all other costs and expenses of Buyer specified elsewhere in this Agreement.

5.3 Prorations. Ad valorem taxes, rents, utility charges not paid by tenants, and similar charges or income relating to the Property shall be prorated as of the date of Closing based on the full amount of, and latest available information concerning, such taxes, rents, and other charges. The cash payment at the Closing shall be increased or decreased as may be required by the foregoing prorations and if necessary. If the ad valorem taxes for the year of Closing are not known as of the Closing Date, the tax proration shall be appropriately adjusted as soon as practicable after receipt of the tax bill for the year of Closing. For purposes of making the prorations required hereunder, a 365-day year and the actual number of days in the month of Closing will be used, and Buyer will be deemed the owner of the Property on the Closing date. Owner will pay to Buyer at Closing all security deposits held by Owner relating to leases of the Real Property.

6. Obligations During Option Term. The parties shall be governed by the following during the Option Term and thereafter until Closing if the Option is exercised.

6.1 Survey. If Buyer desires a survey of the Real Property, then Buyer shall obtain a survey (the “Survey”) at Buyer’s own expense prior to the Closing.

6.2 Title Commitment. During the Option Term and in any event before Buyer exercises the Option, Buyer shall, at Buyer’s expense, obtain a title insurance commitment (the “Title Commitment”) for a TLTA owner’s policy of title insurance on the Real Property in an amount acceptable to Buyer (the “Title Policy”) issued by a national title insurance company acceptable to Buyer (the “Title Insurer”), together with copies of all recorded instruments which are the subject of the requirements and proposed special exceptions listed in the Title Commitment (the “Title Documents”). Buyer shall furnish Owner a copy of the Title Commitment, the Title Documents, and if obtained by Buyer, the Survey. Within ten (10) days after Buyer’s receipt of the Title Commitment, Title Documents, and if applicable, Survey, Buyer shall notify Owner in writing (“Buyer’s Objection Notice”) of any matters listed in the Title Commitment which are objectionable to Buyer (herein the “Title Objections,” which term shall not include the Permitted Title Exceptions). Within ten (10) days after Buyer’s receipt of Buyer’s Objection Notice, Owner shall notify Buyer in writing (the “Cure Notice”) which Title Objections, if any, Owner elects to cure. If Buyer has not received a Cure Notice within said 10-day period, the same shall be deemed to constitute Owner’s election not to cure any of the Title Objections. Owner shall not be obligated to cure any of Buyer’s Title Objections. Notwithstanding the foregoing and if Buyer exercises the Option, Owner agrees (a) to cooperate with Buyer’s cure of any reasonable Title Objections that can be cured, (b) to satisfy any requirements contained in the Title Commitment relating to Owner’s authority to consummate the sale transaction, (c) to execute and deliver the Closing Documents it is required to execute. If Owner does not elect, or is deemed to have elected not, to cure any Title Objections, Buyer’s only options shall be either (i) to terminate this Agreement and elect not to exercise the Option or if already exercised, rescind the exercise of the Option (which right is hereby granted) by giving written notice of such election (the “Termination Notice”) within twenty-five (25) days after Buyer’s receipt of the Title Commitment, Title Documents, and
Survey, or (ii) to elect to preserve the Option in effect and if already exercised or thereafter exercised, accept title to the Real Property subject to any Title Objections which Owner has elected not to cure.

6.3 Access, Inspections, and Testing. Buyer shall have reasonable access to the Real Property (subject to the rights of the tenants) to perform, at Buyer’s expense, such testing, investigations and other actions as Buyer deems necessary or appropriate to satisfy itself that the Property is suitable to Buyer. Buyer shall not disturb the tenants’ peaceable possession of the Real Property. If any such testing, investigations, or other actions by Buyer materially damages the Property, Buyer shall restore the same at Buyer’s expense. Buyer hereby indemnifies and agrees to hold Owner harmless from and against any and all liens and other claims arising out of any such testing, investigations, or other actions.

6.4 Continued Operations, Leasing of the Real Property. Throughout the Option Period and until the date of any Closing if the Option is exercised (but not past any Closing Date), Owner shall continue to cause the Real Property to be operated, insured, maintained, repaired, and replaced, as necessary, in accordance with the standards that Owner has done so in the past. Owner will not accept a prepayment of rent under a Lease or a release any parties liable thereunder (including any guarantors) without Buyer’s prior written approval which Buyer may withhold in its absolute discretion; provided, however, Owner shall be entitled to enforce the provisions of the Leases in accordance with customary business practices. Further, at all times during the Option Term and the Closing if the Option is exercised, Owner shall refrain from conveying, mortgaging, granting an easement over, or otherwise further encumbering the Property, or any portion thereof or any interest therein, or otherwise altering the existing condition of title to the Property, without prior written consent of Buyer. Owner shall not cause or permit its management agent to make any change in the use or management of the Property that would reasonably be expected to cause an issue of non-compliance (Form 8823), RD Loan acceleration, loss of RD rental assistance or permit anything to be done thereon that would reasonably be expected to materially impair the value of the Property.

7. Broker’s Commission. Buyer and Owner represent and warrant to each other that there are no brokerage or finder’s fees, commissions or other compensation owing to any real estate brokers, agents, or other parties in connection with this Agreement or the consummation of the purchase and sale pursuant to any exercise of the Option. Each party (the “Indemnifying Party”) agrees to indemnify, defend and hold harmless the other party (the “Indemnified Party”) from any damages, loss or liability resulting from the inaccuracy of any of the foregoing representations and warranties made by the Indemnifying Party.

8. Representations and Warranties of the Parties; Further Assurances.

8.1 Buyer represents, warrants, and agrees as follows:

(a) Buyer has the full power and authority to execute, deliver and perform its obligations under this Agreement.
(b) This Agreement constitutes the legal, valid and binding obligation of Buyer enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, and other similar laws, and subject to principles of equity.

(c) Buyer has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of the purchase of the Property.

(d) The execution, delivery and performance of Buyer’s obligations under this Agreement and the consummation of the transactions contemplated hereby (i) will not result in a breach or violation of any contract, commitment or restriction to which Buyer is a party or by which Buyer is bound and (ii) do not require any consent, approval or other authorization of any person, entity or authority not previously obtained.

8.2 Owner’s Representations and Warranties. Owner represents, warrants, and agrees as follows effective on the Effective Date and the Closing Date:

(a) Owner is a limited partnership, duly organized and validly existing under the laws of the State of Texas. Owner has the full power and authority to execute, deliver and perform its obligations under this Agreement or will prior to the Closing Date. Owner has, or will prior to the Closing Date, taken all action necessary to authorize the execution and delivery of this Agreement, the performance by Owner of its obligations under this Agreement and the completion of the Transaction as contemplated by this Agreement.

(b) This Agreement constitutes the legal, valid and binding obligation of Owner enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, and other similar laws, and subject to principles of equity.

(c) The execution, delivery and performance of Owner’s obligations under this Agreement and the consummation of the transactions contemplated hereby (i) will not result in a breach or violation of any contract, commitment or restriction to which Owner or the Property is bound, except for the approvals of RD and TDHCA and (ii) do not require any consent, approval or other authorization of any person, entity or authority not previously obtained.

(d) To Owner’s current actual knowledge, there are no actions, suits, claims, investigations or legal, administrative or arbitration proceedings pending or threatened or probable of assertion, against Owner that might affect the Property or Owner’s ability to perform its obligations under this Agreement.

(e) Owner has not received notice of violation of any law, ordinance, regulation, or requirements affecting the Property or Owner’s use of the Property.

(f) Owner has fee simple title to the Property, subject to no liens, claims or encumbrances except the Permitted Exceptions.
(g) Owner is not a “foreign person,” as that term is used and defined in the Internal Revenue Code, Section 1445, as amended. Owner is not a Prohibited Person (hereinafter defined), nor is Owner a “foreign corporation”, “foreign partnership” or “foreign estate” as those terms are defined in the Internal Revenue Code of 1986, as amended.

(h) Owner is not acting, directly or indirectly for, or on behalf of, any person, group, entity or nation named by any Executive Order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism) or the United States Treasury Department as a terrorist, “Specially Designated National and Blocked Person,” or other banned or blocked person, entity, or nation pursuant to any Law that is enforced or administered by the Office of Foreign Assets Control of the Department of the Treasury ("OFAC"), and is not engaging in the transactions described herein, directly or indirectly, on behalf of, or instigating or facilitating the transactions described herein, directly or indirectly, on behalf of, any such person, group, entity or nation. Neither Owner, nor, to Owner’s knowledge, any person or entity owning a direct or indirect interest of Owner: (i) is listed on the Specially Designated Nationals or Blocked Persons List maintained by OFAC pursuant to the Order and/or on any other list of terrorist or terrorist organizations maintained pursuant to any of the rules and regulations of OFAC, the USA Freedom Act, or pursuant to any other applicable orders (the “Lists”); (ii) is a person or entity who is subject to the prohibitions contained in the USA Freedom Act or OFAC; or (iii) is owned or controlled by, or acts for or on behalf of, any person or entity on the Lists or any other person or entity who is subject to the prohibitions contained in USA Freedom Act or OFAC.

(i) To the best of Owner’s knowledge, (i) all required federal, state and local permits concerning or related to environmental protection and regulation for the Property have been secured and are current; (ii) Owner is and has been in full compliance with such environmental permits and other requirements regarding environmental protection under applicable federal, state or local laws, regulations or ordinances; (iii) there is no pending action against Owner under any environmental law, regulation or ordinance and Owner has not received written notice of any such action or possible action; (iv) there is not now, nor has there been in the past, release of hazardous substances on, over, at, from, into or onto any facility at the Property, as such terms are understood under the Comprehensive Environmental Response, Compensation and Liability Act; and (v) Owner does not have actual knowledge of any environmental condition, situation or incident on, at or concerning the Property that could reasonably be expected to give rise to an action or to liability under any law, rule, ordinance or common law theory governing environmental protection.

(j) No attachment, execution, assignment for the benefit of creditors, receivership, conservatorship or voluntary or involuntary proceedings in bankruptcy or pursuant to any other debtor relief laws is contemplated or has been filed by or against Owner or the Property, nor is any such action pending by or against Owner or the Property.

(k) No person, firm or entity, other than Buyer (or its assigns hereunder), has any right to purchase, lease or otherwise acquire or possess the Property or any part thereof.
Except as otherwise expressly provided in this Agreement, all ad valorem taxes on the Property for prior years and all special assessments on the Property of any kind have been paid in full in accordance with their terms and there are no deferred ad valorem taxes for prior years or unpaid special assessments pertaining to the Property.

8.3 Owner and Buyer each agrees to execute and deliver to the other party such documents or instruments and to take such other actions as may be reasonable or necessary or as may be reasonably requested by the other in furtherance of the performance of the terms, covenants and conditions of this Agreement.

9. Condemnation or Casualty. If, prior to any Closing, all or any material part of the Real Property is taken or threatened by eminent domain or damaged by fire or other casualty, Buyer shall have the right either (a) to terminate this Agreement; or (b) to take the Property, or remainder thereof, AS IS, and to pay the full Purchase Price for the Property. Owner shall be entitled to retain any condemnation award.

10. Default. If any party (the “Defaulting Party”) materially defaults under this Agreement, the other party shall be entitled to all of the rights and remedies set forth in this Agreement or in the Master Agreement or otherwise afforded by applicable law or equity, including, without limitation, the right to seek damages, specific performance and injunctive relief (prohibitive or mandatory), provided that no remedies shall be exercised against either party if the other is in breach or default of this Agreement. In any action to interpret or enforce this Agreement, the prevailing party shall be entitled to recover its court costs and the reasonable fees and expenses of its attorneys and expert witnesses, including any such fees and expenses incurred in connection with insolvency, bankruptcy, or appellate proceedings.

11. Assignment. Owner and Buyer shall have the right to assign their rights and obligations under this Agreement, before or after the exercise of the Option, without Owner’s consent, provided that assignor remains liable for its obligations under this Option. After any such assignment all references to the “Owner” or “Buyer” herein shall be deemed to be references to the assignee. Any such assignment (a) shall be effective as to either party only after such party has received written notice thereof, (b) shall not delay or extend any time periods provided herein, and (c) shall not require the other party to re-perform any obligations hereunder which have already been performed in favor of the assignor.

12. Notices. Any notice, demand, request, or other communication required or permitted to be given or made under this Agreement shall be in writing and either (a) delivered personally, or by messenger or a nationally recognized overnight courier service, (b) sent postage prepaid by express mail or first-class certified mail, return receipt requested, or (c) sent by telex, telegram, telecopy or other similar means of rapid transmission and confirmed by mailing written confirmation thereof (as provided in clause (b) above) at substantially the same time as such rapid transmission. The effective date of any notice shall be the date of delivery of the notice, if by personal delivery, messenger or courier service, or if mailed, on the date upon which the express mail receipt or the return receipt is signed or delivery, or is refused or the notice is designated by the postal authorities as unclaimed or not deliverable, as the case may be. The notice addresses for Buyer and Owner shall be as set forth in the first paragraph of this Agreement. Buyer and Owner
may change their respective notice addresses by written notice to the other in the manner provided above.

13. Miscellaneous. This Agreement and the schedules and exhibits attached hereto contain the entire agreement between the parties respecting the matters herein set forth and supersede all prior agreements between the parties respecting such matters, except the provisions of the Master Agreement. This instrument may be executed in any number of counterparts, each of which shall be deemed an original but all of which, when read together, shall constitute but one single Agreement. This Agreement may not be modified, discharged or amended in any respect whatsoever except by agreement in writing duly executed by both parties. This Agreement shall be construed and enforced in accordance with the internal laws of the State of Texas. This Agreement shall be binding upon the parties hereto and their respective successors and assigns and any successors in title to the Property. To the extent any term or provision of this Agreement shall be held, found, or deemed to be unreasonable, unlawful, or unenforceable, then the parties expressly agree that any such term or provision shall be modified to the extent necessary in order that any such term or provision shall be legally enforceable to the fullest extent permitted by applicable law. The parties further agree that any court of competent jurisdiction shall enforce, and the parties do hereby expressly authorize any such court to enforce any such term or provision or to modify any such term or provision to preserve to the fullest extent possible the intent of the parties and in order that any such term or provision shall be enforced by such court to the fullest extent permitted by applicable law.

14. No Memorandum of Option. Because of Owner’s agreements contained in Sections 4 and 6.4, and Buyer’s remedies contained in Section 10, if Owner defaults under this Agreement, the parties agree that no memorandum of the Option granted herein shall be recorded in the real estate records.

15. Time for Acceptance. The offer made by Owner as herein set out shall be void unless a counterpart of this Agreement has been executed by Buyer and returned to Owner with the Option Price by 5:00 p.m. (CDT/CST) on November 15, 2019. If this Agreement is timely executed and returned to Owner with the Option Price, the date of Buyer’s execution shall be the “Effective Date” of this Agreement.

16. Choice-Limiting Condition Statement. Buyer and Seller acknowledge the following: The Buyer anticipates submitting an application for funding. That an environmental review and clearance may be required for the property described in this Agreement should the project receive an award of such funding. The Property described in this Agreement will not be able to be transferred until the property receives environmental clearance (if applicable) should the project receive an award of funding. Furthermore, notwithstanding any other provision of this Agreement, except with respect to the provisions of Section 2 of the Master Agreement and no transfer of title to the Buyer may occur, unless and until Buyer and/or Seller have received a written notification that: (1) a federally required environmental review has been completed and Buyer’s request for release of federal funds has been approved and, subject to any other contingencies in this Agreement, (a) the purchase may proceed, or (b) the purchase may proceed only if certain conditions to address issues in the environmental review shall be satisfied before or after the
purchase of the property; or (2) it has determined that the purchase is exempt from federal environmental review and a request for release of funds is not required.

[Signature Page Follows]
IN WITNESS WHEREOF, this Agreement has been executed by the parties as of the dates set forth below their respective executions below.

“Owner”:

RENO PLAZA APARTMENTS OF RENO, TEXAS, LTD.,
a Texas limited partnership

By: Megan GP Services, LLC – Series Reno
d a Texas series limited liability company
its General Partner

By: [Signature]
Gary L. Maddock, Manager

Date: November 17, 2019
“Buyer”:

RURAL HOUSING DEVELOPERS - TEXAS, LLC,
a Texas limited liability company

By: ________________________________
    J. Ryan Hamilton, Manager

Date: 11/7/2019
Exhibit A
Legal Description of the Land

Being all that certain tract of land situated about 6.5 miles Easterly from the City of Paris, Lamar County, Texas, a part of the Jeremiah Steel Survey, Abst. No. 866, also being a part of a 41.87 acre tract of land described in a deed recorded in Vol. 349, Page 217 of the Lamar County Deed Records and also being a part of Lot 6, Block D of Town East Addition to the City of Reno as shown by plat duly recorded in the plat records of said county and State and being further described as follows:

BEGINNING at an iron pin for corner, the Southwest corner of said Block D at the intersection of the East line of Town East Drive with the North line of U. S. Hwy. 82;
THENCE North 0 deg. 20' West with the East line of Town East Drive a distance of 200.0 feet to an iron pin for corner;
THENCE North 87 deg. 50' East a distance of 320.0 feet to an iron pin for corner;
THENCE South 0 deg. 20' East a distance of 200.0 feet to an iron pin for corner in the North line of U. S. Hwy. 82;
THENCE South 87 deg. 50' West with said North line a distance of 320.0 feet to the place of beginning and containing 1.468 acres of land.

SUBJECT, HOWEVER, TO THE FOLLOWING:

1. Easement to Lamar County Water Supply Corporation recorded in Book 496, Page 382, Deed Records, Lamar County, Texas.

2. Easement dated May 26, 1981 to City of Reno recorded in Book 635, Page 324, Deed Records, Lamar County, Texas.

3. Right-of-way dated February 25, 1948 to the State of Texas recorded in Book 305, Page 1, Deed Records, Lamar County, Texas.


5. Utility easements and building lines shown on plat of Town East Addition of record in Plat Records of Lamar County, Texas and as shown on survey of R. Brandon Chaney, RPS No. 4057 made on April 17, 1989.

II.

The property described herein was obtained or improved through Federal financial assistance. This property is subject to the provisions of Title VI of the Civil Rights Act of 1964 and the Rehabilitation Act of 1973 and the regulations issued pursuant thereto for so long as the property continues to be used for the same or similar purpose for which financial assistance was

Exhibit A to Real Estate Deed of Trust for Texas dated August 25, 1992 from Reno Plaza Apartments of Reno, Texas, Ltd. to Neal Sox Johnson, Trustee Option Agreement - Reno Plaza
SCHEDULE 1

Permitted Title Exceptions

1. Real estate ad valorem taxes for the year in which the Closing occurs (which shall be prorated as provided in the Agreement), and subsequent years.

2. Terms, covenants, conditions and restrictions contained in any restrictive covenants of record as of the Effective Date.

3. Easements and rights-of-ways of record existing as of the Effective Date.

4. Any building setback lines and other matters shown on any recorded plat affecting the Land as of the Effective Date.

5. Zoning ordinances and other governmental regulations.

6. Title to all oil, gas, and other minerals, not limited solely to hydrocarbons vested in others, and all rights pertaining thereto.

7. Encroachments, overlaps and other matters which would be disclosed by an accurate survey of the Land and Improvements.

8. Rights of tenants in possession, as tenants only, under the Leases subject to the requirements relating thereto as contained in the Option Agreement to which this Schedule 1 is attached.

9. Any matters which constitute Title Objections by Buyer but which Owner elects not to cure or which Owner is deemed to have elected not to cure, as provided in the Option Agreement to which this Schedule 1 is attached.
Census Tract Map
Reno Village Apartments

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