

**EXHIBIT A
DEED RESTRICTIONS**

THESE DEED RESTRICTIONS (as amended from time to time, the "Deed Restrictions") are impressed upon the property described below by the City of Dallas, for itself and as trustee, on behalf of the taxing units named as a party to a judgment for delinquent taxes or in a tax warrant as owed delinquent taxes and which received tax title to said property by a Sheriff's Deed recorded in the real property records of Dallas County, Texas ("Owner" whether one or more), to wit:

LOT 4, HONDO, CLIFTON PLACE ADDITION SITUATED IN CITY BLOCK 11/2257 IN THE CITY OF DALLAS, DALLAS COUNTY, TEXAS AS RECORDED IN VOLUME 86009 PAGE 4459 OF THE DEED RECORDS OF DALLAS COUNTY, TEXAS, ALSO BEING KNOWN AS 2714 HONDO AVENUE, DALLAS, TEXAS. (the "Property" or "Land").

RECITALS

WHEREAS, as authorized by Section 34.015 of the Texas Property Tax Code and pursuant to Sections 2-26.4-2-26.14 of the Revised Code of Civil and Criminal Ordinances of the City of Dallas, Texas, as amended, tax foreclosed and seized real property may be sold by the City of Dallas if the land is sold to a nonprofit organization according to a plan approved by the Dallas City Council for the nonprofit organization to develop the land as either single-family or multi-family affordable housing for low income individuals or families in compliance with the Code and all other applicable city ordinances and state and federal laws ("Program"); and

WHEREAS, the City of Dallas has received a written proposal from GRANTEE which contain the proposed end use and time frame for the Property; and

WHEREAS, the City of Dallas, by enactment of Sections 2-26.4-2-26.14 of the Revised Code of Civil and Criminal Ordinances of the City of Dallas, Texas, as amended, by ordinance, has established various requirements for participation by nonprofit organizations in the Program and conditions participation therein on the imposition of these Deed Restrictions on the Property, which requirements and restrictions are of benefit to the citizens of the City of Dallas and Land therein located; and

WHEREAS, the Deed Restrictions are entitled to run with the land because: (i) the Deed Restrictions touch and concern the Land by, among other things, benefitting and controlling the use of the Property, (ii) privity of estate exists by reason of the Owner's tax title to the Land subject to the Deed Restrictions, (iii) notice is given of the Deed Restrictions contained herein when this instrument is filed in the Official Real Property Records in the county in which the Land is situated, and (iv) the Deed Restrictions are reasonable in light of their purpose, providing affordable housing for a Low Income Individual or Family which meets code standards, enhancing the value of the property, improving the neighborhood, and assisting in stabilization of property values; and

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WHEREAS, Owner intends that the Deed Restrictions shall run with the Land and shall be binding upon the GRANTEE, as defined below, and GRANTEE's successors and assigns; further, any person, by acceptance of title, legal or equitable, to any portion of the Property, shall abide by and perform the Deed Restrictions and the other terms hereof. In the event of the failure of any contract or Loan to refer to this instrument, the Deed Restrictions and other terms of this instrument shall nevertheless be considered a part thereof, and any conveyance of the Property shall be construed subject to the Deed Restrictions and other terms hereof. It is understood and agreed that the Deed Restrictions relate to and affect only the Property and no other land, and that the only Deed Restrictions are those expressed in this instrument, and no other restrictive covenants are to be implied.

NOW, THEREFORE, KNOW ALL BY THESE PRESENTS:

The Owner does hereby impress all of the Property with the following covenants and deed restrictions, which shall be covenants running with the land ("Deed Restrictions"), and the following shall apply to the Property in addition to, and notwithstanding, any other restrictions or provisions of any other document recorded in connection with the Property, whether consistent, inconsistent or contrary to the following.

I. DEFINITIONS

The following definitions apply to these Deed Restrictions:

1.1 "Affordable Housing" means (a) owner-occupied housing that: (i) is sold or resold to a low-income individual or family, and (ii) has a purchase price and an estimated appraised value at acquisition that does not exceed 95% of the "HUD 203B" maximum mortgage amounts established and published annually by HUD in Part 203, Title 24 of the Code of Federal Regulations, as amended.

1.2 "City" means the City of Dallas.

1.3 "Dallas City Code" means The Revised Code of Civil and Criminal Ordinances of the City of Dallas, Texas, as amended.

1.4 "Director" means the Director of the Housing Department for the City of Dallas or her or his designated representative.

1.5 "GRANTEE" means the non-profit corporation so named as GRANTEE in the Quitclaim Deed of which these Deed Restrictions are made a part.

1.6 "GRANTORS" means the taxing units named as GRANTORS in the Quitclaim Deed of which these Deed Restrictions are made a part.

1.7 "HUD" means the United States Department of Housing and Urban Development.

1.8 "Initial Occupancy" means the date a deed from GRANTEE selling, conveying, or transferring the Property to the initial Low-Income individual or family is filed in the real property records of the county in which the Property is located.

1.9 "Land" means "Property".

1.10 "Low Income Individual or Family" means an individual or family whose annual income does not exceed eighty percent (80%) of the median income for the Dallas Standard Metropolitan Statistical Area, as determined annually and published by HUD, with adjustments for smaller and larger families.

1.11 "Principal Residence" means a home (including any real property and improvements permanently affixed thereto) which, depending on all the facts and circumstances in each case (including the good faith intent of the purchaser), is occupied or intended to be occupied by the purchaser primarily for residential purposes. A "Principal Residence" does not include a home used on a transient basis, or used as an investment property or as a recreational home or a home which is primarily intended to be used in a trade or business, as evidenced by the use of more than fifteen percent (15%) of the total area in a trade or business.

1.12 "Property" means the land quitclaimed by GRANTORS to GRANTEE in the Quitclaim Deed to which the Deed Restrictions are affixed and made a part of, including, but not limited to, the amenities, utilities, lighting and landscaping, all buildings, structures, fixtures, equipment and/or apparatus which are affixed or may hereinafter become affixed to the land.

1.13 "Proposal" means that certain written proposal submitted to the Director in compliance with Dallas City Code section 2-26.7 and approved by the Dallas City Council in its resolution approving the quitclaim of the Property to GRANTEE, a summary of which is described in "Exhibit B," attached hereto and made a part hereof; said summary contains the proposed end use of the Property and the timetable specified in the proposal. GRANTEE's written proposal is incorporated by reference herein.

1.14 "Utility Consent" means the legal document executed by the Low-Income individual or family whereby he, she or they give consent to the City of Dallas to make inquiries to all utility companies to verify that utility service is in the name of the Low-Income individual or family on the Property during the term of the Deed Restrictions.

II. USE REGULATIONS

2.1 Affordable housing on the Property shall be developed by GRANTEE in accordance with:

- (i) Dallas City Code Sections 2-26.4 through 2-26.14,
- (ii) all applicable City codes and ordinances and state and federal laws, and
- (iii) GRANTEE's Proposal.

2.2 Housing on the Property to be constructed by GRANTEE for use as affordable housing shall be:

- (i) completed in compliance with the timeline specified by GRANTEE in its Proposal, and, in no event later than three (3) years from the date GRANTEE receives the Quitclaim Deed to the Land, and
- (ii) inspected and approved by the City before initial occupancy.

2.3 The Property may not be initially sold by GRANTEE or subsequently sold, transferred, conveyed, or occupied during the term of these Deed Restrictions, unless and until, the owner of record title:

- (i) provides to the Director, 1500 Marilla 6DN, Dallas, Texas 75201 at least thirty (30) calendar days prior to closing:
 - (a) written documentation substantiating or verifying the income qualifications of the proposed purchaser as a Low Income Individual or Family, satisfactory to the Director, and
 - (b) the Utility Consent signed by the proposed Low Income Individual or Family purchaser, and
- (ii) receives the Director's written approval that the proposed purchaser meets the income qualifications as a Low Income Individual or Family.

2.4 Any attempted sale, transfer or conveyance of the Property, without said prior written approval by the Director, is void.

2.5 If the Property is sold or made available for purchase during the term of the Deed Restrictions, the record title holder shall affirmatively disclose to potential purchasers the nature of the Deed Restrictions. The Property may be sold, transferred, or conveyed only to another Low Income Individual or Family who will occupy the Property as that individual's or family's principal residence, subject to these Deed Restrictions.

2.6 The Property shall be maintained to and fully comply with all applicable City codes.

2.7 The Property shall be used and occupied solely as the principal residence of the record title holder thereof during the term of the Deed Restrictions.

2.8 Nothing contained in GRANTEE's Proposal, Dallas City Code Sections 2-26.4 through 2-26.14, the Dallas City Council resolution approving this quitclaim, or this instrument shall be construed to bind or obligate the City to provide any financing requested or identified in GRANTEE's Proposal to fund the development of the Property.

III. DURATION AND AMENDMENT

3.1 The provisions of this instrument are hereby declared covenants running with the land. The provisions of this instrument shall continue for a period of five years from the date the deed from the GRANTEE to the initial homebuyer is filed in the official real

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property records of the county in which the Property is located, unless sooner terminated or amended as provided herein.

3.2 The provisions of the Deed Restrictions may be amended only by written instrument signed by Owner, and on behalf of the City, signed by the City Manager and approved as to form by the City Attorney, and filed in the official real property records of the county in which the Property is located. Notwithstanding the foregoing, the provisions of the Deed Restrictions may be unilaterally amended by City solely to make minor corrections in the instrument.

IV. TERMINATION

4.1 Upon compliance with the terms and conditions of the Deed Restrictions, of Dallas City Code §2-26.4 through §2-16.14, the Proposal, and the Quitclaim Deed, the Deed Restrictions shall terminate five years from the date the deed from the GRANTEE to the initial homebuyer is filed in the official real property records of the county in which the Property is located. On behalf of the City, the City Manager may execute instruments, approved as to form by the City Attorney, releasing the City's possibility of reverter with right of reentry and terminating the Deed Restrictions. The City shall not be liable for the payment of any fee for recordation of said instruments in the official real property records of the county in which the Property is located.

V. INDEMNIFICATION

5.1 GRANTEE and GRANTEE's successors and assigns, agree to release, defend, indemnify and hold harmless City and GRANTORS, their officers, agents, and employees harmless against any and all claims, lawsuits, judgments, costs and expenses for personal injury (including death), property damage or other harm for which recovery of damages is sought, suffered by any person or persons, that may arise out of or be occasioned by breach of any of the terms or provisions of the Deed Restrictions by GRANTEE or GRANTEE's successors and assigns, or by any negligent or strictly liable act or omission of GRANTEE or GRANTEE's successors and assigns, in the performance of the Deed Restrictions; except that the indemnity provided for in this paragraph shall not apply to any liability resulting from the sole negligence of or fault of City and GRANTORS, their officers, agents, employees, or separate contractors, and in the event of joint and concurring negligence or fault of GRANTEE or GRANTEE's successors and assigns, and City and GRANTORS, responsibility and indemnity, if any, shall be apportioned comparatively in accordance with the law of the State of Texas, without waiving any governmental immunity available to City and GRANTORS under Texas law and without waiving any defenses of the parties under Texas law. The provisions of this paragraph are solely for the benefit of the parties hereto and not intended to create or grant any rights, contractual or otherwise, to any other person or entity.

VI. ENFORCEMENT

6.1 The provisions of the Deed Restrictions shall be binding upon GRANTEE and GRANTEE's successors and assigns, and all parties claiming by, through or under GRANTEE and all subsequent owners of the Property, each of whom shall be obligated and bound to observe the terms of this instrument. By accepting any deed or other

instrument of conveyance after the execution and recording hereof, a party is conclusively deemed to have accepted the terms hereof and agreed to be bound by and assumes the obligations hereunder.

6.2 City may enforce this instrument and the restrictions herein provided by proceedings at law or in equity against GRANTEE, GRANTEE's successors and assigns, or any person violating or attempting to violate any term or provision hereof. Said proceedings may include, but shall not be limited to, temporary restraining orders, temporary and permanent injunctive relief and/or suit for damages as may be appropriate.

6.3 If City substantially prevails in a legal or equitable proceeding to enforce the Deed Restrictions, City shall be entitled to recover damages, reasonable attorney's fees, and court costs from the offending party.

6.4 For further remedy, City may withhold any certificate of occupancy or final inspection for the lawful use of the Property until the Deed Restrictions are complied with.

6.5 The right of City to enforce the Deed Restrictions may not be waived, expressly or otherwise and City's forbearance or failure to pursue any violation or breach of these Deed Restrictions shall in no event waive or preclude City from enforcing and prosecuting said violation or breach in the future or new violation or breach.

VII. MISCELLANEOUS

7.1 Notwithstanding the foregoing, the Deed Restrictions are not intended to restrict the right of the Dallas City Council to exercise its legislative duties and powers insofar as zoning of the Property is concerned or the exercise of City's right of eminent domain.

7.2 This instrument shall be subject to and governed by the laws of the State of Texas. GRANTEE and GRANTEE's successors and assigns hereby submit to the jurisdiction of the state and federal courts in the State of Texas and to venue in the County in which the Property is located.

7.3 In case any one or more of the provisions contained in this instrument shall for any reason be invalid, illegal or unenforceable in any respect, such invalidity or unenforceability shall not affect any other provision hereof and this instrument shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

7.4 Whenever required by the context, as used in this instrument, the singular number shall include the plural and the neuter shall include the masculine or feminine gender, and vice versa.

7.5 The Section headings appearing in this instrument are for convenience of reference only and are not intended, to any extent or for any purpose, to limit or define the text of any Section.

7.6 The provisions of the Deed Restrictions inure to the benefit of City.

EXECUTED this 29th day of December, 2000.

CITY OF DALLAS
TEODORO J. BENAVIDES, City Manager

By: Charles W. Daniels
Name Printed: Charles W. Daniels
Title: Assistant City Manager

THE STATE OF TEXAS)
COUNTY OF DALLAS)

APPROVED AS TO FORM:
MADELEINE B. JOHNSON, City Attorney

By: Frances Pieters
Name Printed: Frances Pieters
Title: Assistant City Attorney

Subscribed at _____, TX

This instrument was acknowledged before me on
CHARLES W. DANIELS

January 3, 2001 by
Assistant City Manager of the City of Dallas, a
Texas municipal corporation, on behalf of said municipal corporation and as trustee on behalf of the
taxing units receiving tax title under that one certain Sheriff's Deed, recorded in Volume 2000009,
Page 1321 of the Official Real Property Records of the county in which the property is located,
pursuant to Chapter 34 of the Texas Property Tax Code.

Stephanie R. Cedillo
Notary Public in and for the State of Texas

Property Address: 2714 Hondo Avenue
24255 / N

REVISED February 23, 2000



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CITY CLERK
DALLAS COUNTY

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CITY OF DALLAS
PROPERTY MANAGEMENT
320 E. JEFFERSON BLVD. - RM. 203
DALLAS, TX 75203-2632