

PAYMENT AGREEMENT

NEUROCK OF WESTCHESTER APARTMENTS

This Payment Agreement (the “**Agreement**”) dated as of _____, 2024 is entered into by and between the CITY OF GRAND PRAIRIE, TEXAS (“**City**”), and GRAND PRAIRIE HOUSING FINANCE CORPORATION, a Texas public nonprofit housing finance corporation (the “**HFC**”) and its successors and assigns, upon terms and conditions set forth herein.

RECITALS

WHEREAS, Neurock of Westchester, LP, a Texas limited liability company (the “**Company**”) has acquired an affordable multifamily apartment facility in Grand Prairie, Dallas County, Texas, to be known as NeuRock of Westchester Apartments and to be constructed on the property described on Exhibit A attached hereto (the “**Property**”) specifically located at 605 W. Westchester Parkway, Grand Prairie, Texas 75052; and

WHEREAS, the HFC owns the fee simple interest in the Property and the Company owns the improvements on the Property, and HFC and Company entered into a 99-year lease (“**Ground Lease**”) evidenced by a Memorandum of Ground Lease for the purposes of providing notice of the lease to protect the rights and interests of HFC and Company as to third parties; and

WHEREAS, the Property will be exempt from ad valorem taxation pursuant to Chapter 394 of the Texas Local Government Code (the “**Exemption**”); and

WHEREAS, the City desires to enter into this Agreement to support the development of affordable housing within the City; and

WHEREAS, so long as the Property successfully receives funding, maintains a ground lease with HFC, and is used for affordable multifamily housing, the HFC will contribute annual payments in an amount equal to thirty-five percent (35%) of the annual Ground Lease payment (each, a “**Payment**”) which payments will serve to compensate the City for City services provided to the Project; and

WHEREAS, the City finds that this Agreement serves the public purpose of promoting economic growth; and

WHEREAS, the HFC finds that payments made under this Agreement are necessary and appropriate for the HFC to carry out its purposes.

NOW, THEREFORE, in consideration of the foregoing and other consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. The HFC agrees to make an annual Payment to the City equal to the thirty-five percent (35%) of the annual Ground Lease payment. This Payment will continue for the remainder of the term of the Ground Lease, estimated to be 99 years, unless earlier terminated.
2. Payments are due from the HFC to the City no later than 45 days from when the HFC receives its annual payment under the Ground Lease. In the event that the HFC does not receive an annual payment under the Ground Lease, it will notify the City that it has not received the payment. Payment is due only upon receipt of funds from the Company. Pursuant to the Ground Lease, the annual payment is due May 31 of each calendar year. If the HFC fails to pay the payment to the City within such time, and

such failure continues for sixty (60) days after written notice of such default to the HFC by the City, the City shall have the right to exercise any and all legal remedies available to it to obtain such payment. The HFC agrees to pay the statutory amounts for penalties, interest, and reasonable attorney's fees, as applicable, for failure to remit timely Payments to City as if such Payments were taxes as a contractual obligation even though the Property will be exempt from local ad valorem taxation.

3. All payments shall be made payable to City of Grand Prairie and shall be sent to the Director of Finance, City of Grand Prairie, 300 West Main St, Grand Prairie, Texas 75050, or such other address as may be provided in writing to HFC by the City.

4. To the extent permitted by law, a holding by any court that any part or any provision in this Agreement is invalid, illegal or unenforceable in any respect shall not affect any other provision, and this Agreement shall be construed as if the invalid, illegal, or unenforceable provision(s) had never been a part of the Agreement.

5. This Agreement may not be amended except in a writing specifically referring to this Agreement and signed by the parties hereto. Any right created under this Agreement may not be waived, except in a writing specifically referring to this Agreement and signed by the party waiving the right. Provided, however, termination of this Agreement shall not relieve the HFC, or its successors, from any Payments due to the City prior to such termination.

6. If for any reason the HFC should fail to make the Payment in accordance with Paragraph 1, the parties agree that: (i) the Payment that would have been paid by the HFC pursuant to Paragraph 1; plus (ii) the amount of any interest calculated in accordance with Paragraph 2; plus (iii) the City's reasonable attorney's fees and costs of collection should any action be required in order to compel payment of all such amounts shall serve as liquidated damages from the HFC to the City. Nothing in this Agreement shall be construed as creating a lien against the Property, nor shall the City be entitled to place a lien on the Property for any unpaid portion of the Payment or any related expenses and payables.

7. Any notice provided or permitted to be given pursuant to this Agreement must be in writing and may be served by depositing same in the United States mail, addressed to the party to be notified, postage prepaid, certified mail, with return receipt requested, by personal delivery service or nationally recognized air courier service. For purposes of notice, the addresses of the parties shall be as set forth below:

To the City:
Director of Finance
City of Grand Prairie, Texas
300 West Main Street
Grand Prairie, Texas 75050

with a copy to:

To the HFC:
Grand Prairie Housing Finance Corporation
Attn: Doug Jackson
4305 Corn Valley Road

Grand Prairie, Texas 75051

with a copy to:

Mattye Gouldsby Jones
Coats Rose, P.C.
16000 North Dallas Parkway, Suite 3500
Dallas, Texas 75248
E-mail: mjones@coatsrose.com

8. This Agreement shall be governed by the laws of the State of Texas. Venue for any action concerning this Agreement shall be in the District Courts of Dallas County, Texas.

9. The HFC may not assign, transfer or otherwise convey any of its rights or obligations under this Agreement to any other person or entity without the prior consent of the City, which consent shall not be unreasonably withheld, conditioned on: (i) the prior approval of the assignee or successor and a finding by the City that the proposed assignee or successor is financially capable of meeting the terms and conditions of this Agreement, and (ii) prior execution by the proposed assignee or successor of a written agreement with the City under which the proposed assignee or successor agrees to assume and be bound by all covenants and obligations of the HFC under this Agreement. Any attempted assignment without City's prior consent shall constitute grounds for termination of this Agreement. Termination of this Agreement shall be effective ten (10) calendar days following HFC's receipt of City's written notice of termination.

10. This Agreement constitutes the entire understanding between the parties and supersedes any prior negotiations, discussions, agreements, and understandings between the parties with respect to the subject matter of this Agreement.

11. This Agreement shall continue for a term concurrent with the Exemption on the Property. Notwithstanding anything herein to the contrary, at such time as the Property no longer receives the Exemption, this Agreement shall automatically terminate, and be of no further force and effect.

12. This Agreement may be simultaneously executed in multiple counterparts, which, taken together, shall be considered as original, and all of which constitute one and the same instrument.

13. Notwithstanding anything herein to the contrary, the City shall retain its normal rights and privileges pursuant to the laws of the State of Texas, and nothing herein shall be construed as a waiver of any such rights or privileges.

(Signatures appear on the following page.)

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement as of the date first written above.

CITY OF GRAND PRAIRIE
a Texas home rule municipality

**GRAND PRAIRIE HOUSING FINANCE
CORPORATION**, a Texas public nonprofit
housing finance corporation

By: _____
Name: _____
Title: _____

By: _____
Name: Harold C. White
Title: President

EXHIBIT A

(LEGAL DESCRIPTION OF PROPERTY)

TRACT 1:

Being Lots 1 and 2, in Block 1, of WESTCHESTER VILLAGE ADDITION, an Addition to the City of Grand Prairie, Dallas County, Texas, according to the Map thereof recorded in Volume 96224, Page 372, of the Map Records of Dallas County, Texas.

TRACT 2: PARCEL 1

Being Lot 1, in Block A, of WESTCHESTER VILLAGE PHASE II, an Addition to the City of Grand Prairie, Dallas County, Texas, according to the Map thereof recorded in cc# 201300348568, of the Real Property Records of Dallas County, Texas.

TRACT 2: PARCEL 2

Non-Exclusive easement rights created pursuant to that certain Amenities Easement Agreement, dated 10/09/2013, by and between Westchester Norstar USA, LLC and Westchester II Norstar, LLC, filed 10/09/2013, recorded in cc# 201300367947, Real Property Records, Dallas County, Texas.