

**SECOND AMENDMENT TO AGREEMENT BETWEEN HARRIS COUNTY, NHPF
CAROLINE CONDUIT, LLC, AND MAGNIFICAT PERMANENT AFFORDABLE, LLC
FOR THE 3300 CAROLINE STREET PROJECT**

RECITALS

WHEREAS, HARRIS COUNTY, a body politic and corporate under the laws of the State of Texas, herein called "Harris County" or "Grantee," NHPF Caroline Conduit, LLC, herein called "Nonprofit," and Magnificat Permanent Affordable, LLC, herein called "Subrecipient and Maker," entered into an Agreement on April 5, 2022, to a Community Development Block Grant (CDBG-DR) Disaster Recovery Project in a manner satisfactory to the Grantee and consistent with any standards required as a condition of providing these funds, such project including construction of the 3300 Caroline Street Project for the purpose of utilizing \$8,538,278.00 in CDBG-DR funds for the construction of a new 149-unit affordable multi-family complex for permanent supportive housing (PSH) for homeless adults of Harris County, of which 76 units will be CDBG-DR-assisted units; and

WHEREAS, on August 2, 2022, the Commissioner's Court approved the first amendment to said Agreement to: (i) to increase the Site Work line item by \$1,282,132, (ii) to increase the Direct Construction line by \$224,164, (iii) to increase the Other Construction line item by \$122,171 and (iv) an increase to the CSD Management and Oversight and HCED Inspections by \$81,424, with such increases resulting in a corresponding increase in the amount \$1,709,890, requested from the subrecipient for additional financing due to the surge in construction materials cost. The revised amount of the CDBG-DR funding for this project will be \$10,248,168.00, and the total amount of project funding will be \$44,822,492. Further, at the request of Precinct 1, the agreement is being amended to provide certain minimum protections for residents of the Project (EXHIBIT E-1, "TENANT RIGHTS").

WHEREAS, the Parties now desire to amend said Agreement for the second time (the "Second Amendment") to extend the 18-month construction completion requirement for an additional six (6) months to October 23, 2024 (due to unanticipated rain/hurricane delays, and unexpected infrastructure delays.

NOW, THEREFORE, Harris County, Nonprofit, and the Subrecipient and Maker do mutually agree as follows:

TERMS

I.

All references in the Master Agreement to the Completion of Construction being required within 18 months from the start of construction shall be extended by an additional five (6) months (the "Construction Extension Period") such that the Completion of Construction deadline is now (6) months to October 23, 2024. This allowance of the Construction Extension Period shall be applicable to Article I (D); Article II (C) (5) Completion of Work; Exhibit A; Exhibit B (Activity 15) (Item 15); and any other reference in the Master Agreement to Completion of Construction requirement. To the extent the Completion of Construction is required by additional documents that

accompanied the Master Agreement (Loan Note, Deed of Trust, Intercreditor, Subordination and Funding Agreement, etc.), both Parties agree that such requirement in those documents is, to the maximum extent possible by the Parties hereunder, also modified by the application of the above-referenced Construction Extension Period.

II.

“Exhibit D, Budget” attached to the Master Agreement is replaced entirely. The amended Exhibit D, Budget is attached hereto and shall be known as “Exhibit D -1”. All references to Exhibit D will now refer to D-1.

III.

All other terms of the Master Agreement shall remain in full force and effect as originally written and subsequently amended. In the event of any conflict between this Second Amendment to Agreement and the original Agreement, the terms of this Second Amendment shall govern. All other conditions between the parties shall remain in full force and effect. The Parties understand and agree, said understanding and agreement also being of the absolute essence of this Second Amendment, that no additional funds are being appropriated under this Second Amendment.

IV.

All other terms of the Master Agreement shall remain in full force and effect as originally written and subsequently amended. It is expressly understood and agreed that the Master Agreement is incorporated herein by reference. In the event of any conflict between the terms and provisions of this Second Amendment, or any portion thereof, and the terms and provisions of any other part or portion of the Master Agreement, this Second Amendment shall control.

Signatures to Follow on the Next Page

IN WITNESS WHEREOF, the Parties have executed this Second Amendment to Agreement this _____ day of _____, 20__.

ATTEST:

SUBRECIPIENT:

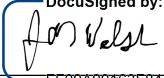
MAKER:

NHPF Caroline Conduit, LLC,
a Texas limited liability company

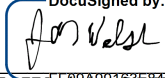
Magnificat Permanent Affordable, LLC
a Texas limited liability company

By: The NHP Foundation,
a District of Columbia nonprofit corporation,
its Manager

By: NHPF Caroline MM, LLC
a Texas limited liability company,
its managing member

By: 
John M. Welsh, SVP

By: Jamestown Affordable Housing, Inc.,
a District of Columbia non-profit
corporation, its manager

By: 
John M. Welsh, SVP

APPROVED AS TO FORM:

CHRISTIAN D. MENELEE
County Attorney

HARRIS COUNTY

By: *Gina Boul*
GINA BOUL
Assistant County Attorney
CA File ID: 22GEN3422

By: _____
LINA HIDALGO
Harris County Judge

EXHIBIT D
BUDGET
3300 CAROLINE STREET PROJECT
Maximum Amount to be Paid Under this Agreement

It is expressly agreed and understood that the total amount to be paid by Grantee under this Agreement shall not exceed TEN MILLION TWO HUNDRED FORTY-EIGHT THOUSAND DOLLARS ONE HUNDRED SIXTY-EIGHT AND ZERO DOLLARS AND 00/100 (\$10,248,168.00), as certified available by the Harris County Auditor and as evidenced by the issuance of a Purchase Order from the Harris County Purchasing Agent.

Description	Harris County CDBG-DR Funds	City of Houston CDBG Funds	CDBG-DR Leveraging	TOTAL
Acquisition	\$ -	\$7,050,000	\$	\$7,050,000
Off-Site	\$ -	\$ -		
Site	\$2,003,031	\$ -	\$257,676	\$2,260,707
Construction	\$6,577,449	\$5,370,570	\$8,589,084	\$20,537,103
Other Construction	\$1,065,395	\$ 3,429,998	\$	\$4,495,392
General Soft Costs	\$ -	\$2,624,559	\$	\$2,624,559
Construction Financing	\$ -	\$181,503	\$ 992,393	\$1,173,896
Permanent Financing	\$ -	\$ -	\$1,075,000	\$1,075,000
Syndication	\$ -	\$ -	\$731,829	\$731,829
Reserves	\$ -	\$ -	\$632,712	\$632,712
Developer Fees	\$ -	\$ -	\$3,639,000	\$3,639,000
Subtotal	\$ 9,645,875	\$18,656,630	\$15,917,694	\$44,220,198
CSD Management and HCED Inspections	\$482,294			\$482,294
Construction Manager (Fixed \$120,000)	\$120,000			\$120,000
Subtotal	\$602,294	\$18,656,630	\$15,917,694	\$44,822,492
Total	\$10,248,169	\$ 18,656,630	\$15,917,694	\$44,822,492

SOURCES (PERMANENT)	AMOUNT
Harris County CSD CDBG-DR	\$10,248,168
City of Houston-CDBG-DR	\$18,656,631
HTC Syndication Proceeds	\$13,554,324
Office Contribution	\$1,653,639
Sponsor Loan	\$710,000
Total Sources	\$ 44,822,492
Total Uses	\$44,822,492

EXHIBIT "E-1"
TENANT RIGHTS

1. DEFINITIONS: For the purposes of this Exhibit "E-1", the terms below will be defined as follows:
 - a) "Director" means the Executive Director of the Harris County Community Services Department;
 - b) "Landlord" means the collective group comprised of **Magnificat Permanent Affordable, LLC** and the company or organization contracted to serve as the Property Manager for the Project known as the 3300 Caroline Street Project. For all purposes in this Exhibit, any actions, statements or agreements reached by any party comprising the "Landlord" with the Tenant will be deemed as final and binding to all parties comprising the Landlord;
 - c) "Owner" means **Magnificat Permanent Affordable, LLC**;
 - d) "Payment Plan" refers to an arrangement reached between the Landlord and Tenant that allows the Tenant the opportunity to avoid further collection or eviction efforts regarding Rent it owes in exchange for Tenant's adherence to a schedule of repayment meant to either bring Tenant current on its Rent or pay Landlord an agreed sum which Landlord will accept as full satisfaction for any current Rent delinquencies. Although Landlord agrees to use its best efforts to work with Tenant for at least the sixty (60) period following the month Tenant fell behind on its Rent to create of a reasonable Payment Plan, in no event will Landlord be required to accept re-payment terms that exceed a six (6) month period, but Landlord must agree to any proposed Payment Plan that would bring Tenant current on its Rent within a six (6) month period.
 - e) "Rent" means the regular monthly recurring charges Tenant is contractually obligated to pay the Landlord as a condition of being allowed to occupy a unit in the Project. "Rent" specifically does not include any payments or benefits routinely paid to Landlord on Tenant's behalf by a governmental entity or non-profit organization; and
 - f) "Tenant" means the resident or residents of one unit in the Project.
2. NOTICE TO VACATE: Landlord agrees that (a) it will not deliver or post a "Notice to Vacate" to a Tenant unless and until that Tenant has been behind on Rent for at least thirty (30) consecutive days; (b) it will not deliver or post a "Second Notice to Vacate" to a Tenant unless and until that Tenant has either (i) failed to establish a Payment Plan with Landlord and (ii) has remained behind in Rent for at least thirty (30) days following the receipt or posting of the initial Notice to Vacate. Landlord agrees to schedule a meeting with any Tenant remaining behind in Rent for twenty (20) days following the Second Notice to Vacate to make a final attempt to make arrangements for a Payment Plan. Should Tenant fail to agree to a Payment Plan within ten (10) days following that meeting, Landlord, may proceed to enforce its rights under the lease and at law, provided that prior to filing any eviction proceeding, Landlord agrees to deliver or post a Final Notice to Vacate with a three (3) day grace period. Landlord agrees in no event will it file for eviction proceedings until the expiration of both thirty (30) day periods. If, following the delivery or posting of a Notice to Vacate, Tenant fails to adhere to the terms of any Payment Plan, the Landlord will only be required to deliver or post a Second Notice to Vacate if it had not provided such prior to Tenant agreeing to the Payment Plan.

3. PUBLIC ASSISTANCE:

A. Landlord will provide a list of local governmental or other organizations the Tenant may contact to request assistance in either bringing it current with its Rent or helping Tenant meet the obligations of its Payment Plan. Landlord agrees to accept all forms of assistance received by Tenant, provided that the assistance is received within forty-five (45) days of Tenant being approved for such assistance. Landlord also agrees to provide its list of governmental or other organizations that provide rental assistance both prominently on its website and at the rental office on-site.

B. If any Tenant who receives monthly governmental or other benefits paid to Landlord as a part of its routine monthly charges to Landlord in exchange for a utility service paid to Landlord or in exchange for an amount that would otherwise be payable by the Tenant as Rent continues to be current on its Rent, but experiences a shortfall or disruption in the payment of those governmental or other benefits, such shortfall will not constitute Tenant being behind on its Rent and will not constitute grounds for Tenant's eviction or other collection efforts. In such event, Landlord will work with the governmental entity or other organization in an attempt to resolve the interruption in benefits.

4. SPECIAL NEEDS TENANTS: Regarding any Tenants that are under a guardianship or other form of community supervision and support, Landlord agrees to contact the appropriate representative or case worker for the Tenant and to work directly with such representative in making any demands, requests or establishing a Payment Plan.

5. EVICTION PROCEEDINGS:

A. Should a Tenant continue to remain behind on its Rent for such period as to permit Landlord to file eviction proceedings against Tenant, but prior to the judgement of the eviction being issued, the Tenant either enters into a Payment Plan with Landlord or becomes current on its Rent, Landlord agrees to dismiss the eviction proceeding or take other measures to prevent the court from issuing a judgement in the eviction proceeding.

B. Except as provided above, Landlord agrees that Tenants may only be evicted for criminal activity posing a threat to residents or staff of the Project, repeated criminal violations, repeated lease violations, expiration of a temporary tenancy period for transitional housing, or Tenant's failure to vacate following the expiration of the residency period specified in the lease with Tenant (provided Landlord can demonstrate that it was abiding by its tenant selection procedures and policies in a uniform and non-discriminatory manner in its decision to not renew the Tenant's lease at the Project).

6. TENANT SCREENING: Landlord agrees to have written Tenant selection procedures and policies and make such procedures and policies readily available (including prominently posting the same in the on-site rental office, displaying them prominently on the website for the Project, and providing those who request the same a written copy upon request). In addition to Tenant selection procedures and policies, Landlord agrees to follow all applicable Fair Housing Laws and other federal, state or local laws prohibiting certain forms of discrimination. Landlord hereby agrees that a prospective Tenant may not be denied an

application or residency based on (a) any derogatory eviction history if the same has been dismissed or is older than thirty-six (36) months; (b) any derogatory credit history provided Tenant can show record of consistent and timely rent payments; or (c) a previous criminal record.

7. PROPERTY CONDITION:

A. Landlord will permit and cooperate with no less frequently than an annual on-site Housing Quality Standards inspection of the Project by representatives or contractors for the Harris County Community Services Department (HCCSD). In addition, Landlord will provide, within ten (10) days of Landlord's receipt, copies of any and all inspection reports conducted by or governmental monitoring functions (i.e Texas Department of Housing and Community Affairs, the Harris County Housing Authority or the Houston Housing Authority).

B. Landlord will institute a system, which will not be limited to computer or on-line based submissions, available to Tenants to submit requests for repairs. All submissions by Tenants will be made available to HCCSD upon request. Landlord will be deemed to have knowledge of any condition on or affecting the Property upon such request being submitted through this system.

C. If Landlord knows or should know of any hazardous condition on or affecting the Property, Landlord agrees to remediate the same within seven (7) days following the date Landlord becomes aware of the same.

D. Landlord agrees to repair and maintain all elements of the Project, even if the same is due to an act or omission of Tenant. However, Landlord, following the completion of such repair, retains all rights to retain any applicable portion of a Tenant's security deposit (if any) and/or pursue collection of such amount against Tenant through the judicial system.

E. Upon the completion of construction, Landlord shall establish with a financial institution acceptable to the Director in his or her sole and absolute discretion, and fund as an operating expense a "repair and replacement reserve escrow account" (the "Reserve Account") for the repair of items on or affecting the Property and replacement of furniture, fixtures, and equipment used at or for Project in a finalized amount not less than \$225,000.00. The Reserve Account may either be funded immediately upon completion of construction or, at Landlord's election, may be funded in five equal annual installments of \$45,000.00. Landlord may utilize funds in the Reserve Account as necessary for repairs and replacements at or affecting the Project, provided that any funds utilized will be replenished by Landlord depositing into the Reserve Account, on or prior to the first day the next succeeding calendar year, the lesser of \$45,000 or the amount necessary to bring the Reserve Account's balance to \$225,000 . The Director may require that the Reserve Account and all amounts held therein be collaterally assigned to the County pursuant to a pledge and account control agreement in form and substance acceptable to the Director in his or her sole and absolute discretion. In such event, Landlord will continue to replenish the Reserve Account as described above for any sums utilized by HCCSD for repairs or replacements on or affecting the Project. Additionally, should Harris County or the HCCSD

demand particular repairs or replacements to the Project in order to maintain the safety and quality of life for the residents of the Project, and Landlord fail to make such repairs or replacements within thirty (30) days (seven(7) days for repairs regarding hazardous health conditions), the Director may direct that Landlord no longer be entitled to access funds in the Reserve Account, and Landlord will document the same appropriately with its financial institution. On an annual basis, Landlord shall provide HCCSD with an accounting of the Reserve Account.

8. **TENANT RELOCATION:** If a Tenant is required to move out of the Project due to any repair, replacement, transfer sale or renovation of the unit or the Project, Landlord will provide relocation assistance to Tenant in a manner to as closely as possible mirror the living conditions (regrading location, cost, proximity to community resources, etc.) the Tenant enjoyed while residing at the Project. Upon the completion of such renovations, repairs or renovations which necessitated Tenant's relocation, Landlord will permit Tenant to return to their previous unit or a comparable unit within the Project.
9. **TENANT ACCESS TO INFORMATION:** Landlord will permit Tenant to review and copy any documents signed by Tenant or otherwise provided to Tenant as part of Landlord's selection and on-boarding process. Such requirements include, lease agreements, rental application, and any Addendum or supplemental document outlining the rights of Tenant.
10. **RIGHT TO PARTICIPATE IN TENANT ORGANIZATION:** Landlord will permit each Tenant to conduct activities on the Project related to or establishing a Tenant organization, including hosting a Tenant organizer at the Project. Landlord will not limit access or use of any common areas for such activities outside of the uniform and non-discriminatory compliance with reasonable policies and procedures applicable to the Project or applicable law. Landlord will adhere to all policies and procedures applicable to the Project, including the enforcement of restrictions on actions or failures of Tenant that could trigger an eviction proceeding or other enforcement or collection efforts by Landlord, in a uniform and non-discriminatory manner. Landlord's obligations pursuant to this Section also specifically extend to prohibit the non-uniform or discriminatory treatment of Tenant's that have lodged or issued complaints against Landlord. Landlord agrees that any waiver of a Tenant's right to participate in a class or collective action and any waiver of Tenant's right to a trial by jury in any lease or other contractual provision will have no effect.
11. **PROPERTY MANAGEMENT:**
 - A. Owner agrees that the Director or his or her designated delgatee(s) may be present and involved, in a non-voting role, in the meetings regarding the selection of the Property Management Company for the Project. Such involvement will include the distribution of all applicable documents and the Property Management Agreement. Once Owner has selected its Property Manager, it must seek approval from the Director prior to Owner's execution of the Property Agreement. However, if the Director fails to respond, either affirmatively or negatively, within ten (10) days following its receipt of Owner's request for approval, Owner may proceed to execute the Property Management Agreement without the Director's approval.

B. The Property Management Agreement may be amended from time to time with the consent of the Director, and shall provide (i) for the adherence of all requirements of Section II(D)(5) of the Master Agreement; and (ii) that the Property Manager may be terminated by Owner if required by the Director. Notwithstanding the foregoing, the Director may only require the termination of the Property Manager for cause associated with failure to comply with this Agreement or with applicable law.

ORDER OF COMMISSIONERS COURT
Authorizing Amendment to Loan Agreement

The Commissioners Court of Harris County, Texas, convened at a meeting of said Court at the Harris County Administration Building in the City of Houston, Texas, on the _____ day of _____, 2024 with the following members present, to-wit:

A quorum was present when, among other business, the following was transacted:

ORDER AUTHORIZING SECOND AMENDMENT TO AGREEMENT BETWEEN
HARRIS COUNTY, NHPF CAROLINE CONDUIT, LLC, AND MAGNIFICAT
PERMANENT AFFORDABLE, LLC

Commissioner _____ introduced an order and made a motion that the same be adopted. Commissioner _____ seconded the motion for adoption of the order. The motion, carrying with it the adoption of the order, prevailed by the following vote:

	Yes	No	Abstain
Judge Hidalgo	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Comm. Ellis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Comm. Garcia	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Comm. Ramsey	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Comm. Cagle	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The County Judge thereupon announced that the motion had duly and lawfully carried and that the order had been duly and lawfully adopted. The order thus adopted as follows:

- Section 1.

The Harris County Judge is authorized to execute the Second Amendment to the Loan Agreement Between Harris County, NHPF Caroline Conduit, LLC, and Magnificat Permanent Affordable, LLC. This amendment updates said Agreement: (i.) to extend the 18-month construction completion requirement for an additional six (6) months to October 23, 2024, due to unanticipated rain/hurricane delays and unexpected infrastructure delays. The Second Amendment is attached hereto and made a part hereof for all purposes as though fully set out in this Order word for word.
- Section 2.

HCCSD and its Executive Director, or his/her designee, are authorized to take such actions and execute such other documents as they deem necessary or convenient to carry out the purposes of this order.