

CEDAR CREST SQUARE

**GOVERNMENT
EXHIBIT**

3323

3:07-CR-289-M

COD_HOU 0009308

000001

Bryan, Jimmy

From: Bryan, Jimmy
Sent: Tuesday, July 19, 2005 2:38 PM
To: 'landdevelopment@ez2.net'
Subject: Cedar Crest Square - Single-family Bond Program

Ron,

Could you please advise us of your plans with the subject project, based upon the preliminary denial from the Development Services Department.

Please e-mail me a response so as I can update the Housing Director.

Thank You

Jimmy L. Bryan
SFB/MAP Programs
Housing Department

7/21/05 - Ron S. telecon:
needs to talk to partner on Monday 7/25
- putting response together for Monday a.m.
- not a deal deal yet.

7/19/2005

COD_HOU 0009309

000002

Bryan, Jimmy

From: Bryan, Jimmy
Sent: Friday, July 08, 2005 11:23 AM
To: 'landdevelopment@ez2.net'
Subject: Cedar Crest Square - Single family Bond Program

Ron,

We have had some concerns with other proposed developments, and want to make sure for your proposed development that the streets within Cedar Crest Square will be public.

Please e-mail with your response.

Thanks.

Jimmy L. Bryan
Housing Department

*- what are his plans
- get in writing*

COD_HOU 0009310

7/8/2005

000003



CITY OF DALLAS

June 24, 2005

Mr. Ronald Slovacek
Kiest General, LLC
318A Dallas Drive
Denton, TX. 76205

RE: Single Family Housing Development Bond Program
Cedar Crest Square

Dear Mr. Slovacek:

Please find the enclosed City of Dallas letter, dated June 22, 2005, from the Development Services Department. Staff's preliminary recommendation is denial of the requested Planned Development District.

This case is tentatively scheduled for the July 21, 2005 City Planning Commission. Please keep the Housing Department informed on this project, as the Single Family Bond Participation Agreement must be executed by September 30, 2005, if this project is to continue forward.

Should you have questions, please contact Terry Williams at (214) 670-4648 or Jimmy L. Bryan at (214) 670-5110.

Sincerely,

Mark G. Obeso, Assistant Director
Housing Department

Enclosure

Jb/ccrest.

COD_HOU 0009311



CITY OF DALLAS

June 22, 2005

Mr. Allen Bussell
Greg Edwards Engineering
1621 Amanda Court
Ponder, TX 76259

VIA FACSIMILE (1-940-482-8128)

RE: Z045-248 (JP)
Northeast corner of E. Kiest Boulevard and Southerland Avenue

Dear Mr. Bussell:

Staff reviewed the abovementioned case on Tuesday, June 20, 2005. Staff's preliminary recommendation is denial of the requested Planned Development District. Staff's primary objections are the residential uses adjacent to the Central Wastewater Treatment Facility and the overall incompatibility with the heavy industrial nature of the area. Additional issues of this case are as follows:

- the residential adjacency to a DART maintenance facility to the north; to a landfill to the south; to a rendering plant to the southeast
- the minimum size of the townhouse lots and the density of the townhomes
- the overall incompatibility with the future Cadillac Heights levee and existing drainage patterns
- the overall incompatibility with the Trinity River Corridor Comprehensive Land Use Plan, adopted March 2005, primarily due to the proposed land uses, inadequate buffering, and location of uses in relation to existing industrial uses
- the width of the proposed roadways, specifically including the courtyard roadways, meeting the minimum standards for fire and safety vehicle access (please see Hamid Fard's email of June 22, 2005, 4:12pm for specific roadway review)
- the review comment from DART stating it is not responsible for screening or noise issues adjacent to its property

COD_HOU 0009312

000005

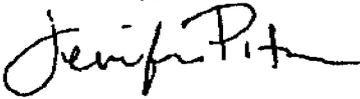
Per our Friday, June 17, 2005 meeting, some of your proposed PD conditions do not address some of requirements of the code, such as designating the private accessory community center and residential landscaping requirements. If you wish to make any additions or revisions, it should be received by July 1, 2005 in order to be included as the proposed PD conditions for the Commission meeting. This does not affect the Staff recommendation.

This case is tentatively scheduled for the July 21, 2005 City Planning Commission. Notification signs will need to be posted before 1:30 p.m. on Monday, July 11, 2005 for the July 21, 2005 CPC hearing. The form declaring the sign was properly posted is required and to be provided no later than 5:00 p.m. on July 11, 2005.

Staff would like to remind you that we strongly encourage all of our applicants to be in contact with the Plan Commissioner from the district. This property is located in District 7, and you may contact Commissioner Melvin Traylor at (214) 670-3086.

Please contact me at (214) 670-3917 if you have any questions.

Sincerely,



Jennifer Pitner
Senior Planner
Department of Development Services

Cc: The Hondo Trust

COD_HOU 0009313

000006

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CITY OF DALLAS

June 24, 2005

Mr. Ronald Slovacek
Kiest General, LLC
318A Dallas Drive
Denton, TX. 76205

RE: Single Family Housing Development Bond Program
Cedar Crest Square

Dear Mr. Slovacek:

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Should you have questions, please contact Terry Williams at (214) 670-4648 or Jimmy L. Bryan at (214) 670-5110.

Sincerely,

A handwritten signature in black ink that reads "Mark G. Obeso".

Mark G. Obeso, Assistant Director
Housing Department

Enclosure

Jb/crest.

COD_HOU 0009314



CITY OF DALLAS

June 22, 2005

Mr. Allen Bussell
Greg Edwards Engineering
1621 Amanda Court
Ponder, TX 76259

Post-It* Fax Note	7671	Date	6/22	# of pages	2
To	Mark Obeso	From	Jennifer Pitner		
Co./Dept.		Co.			
Phone #		Phone #	670-3917		
Fax #	670-0154	Fax #			

VIA FACSIMILE (1-940-482-8128)

RE: Z045-248 (JP)
Northeast corner of E. Kiest Boulevard and Southerland Avenue

Dear Mr. Bussell:

Staff reviewed the abovementioned case on Tuesday, June 20, 2005. Staff's preliminary recommendation is denial of the requested Planned Development District. Staff's primary objections are the residential uses adjacent to the Central Wastewater Treatment Facility and the overall incompatibility with the heavy industrial nature of the area. Additional issues of this case are as follows:

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- the minimum size of the townhouse lots and the density of the townhomes
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- the width of the proposed roadways, specifically including the courtyard roadways, meeting the minimum standards for fire and safety vehicle access (please see Hamid Fard's email of June 22, 2005, 4:12pm for specific roadway review)
- the review comment from DART stating it is not responsible for screening or noise issues adjacent to its property

COD_HOU 0009315

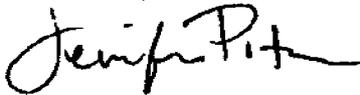
Per our Friday, June 17, 2005 meeting, some of your proposed PD conditions do not address some of requirements of the code, such as designating the private accessory community center and residential landscaping requirements. If you wish to make any additions or revisions, it should be received by July 1, 2005 in order to be included as the proposed PD conditions for the Commission meeting. This does not affect the Staff recommendation.

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Staff would like to remind you that we strongly encourage all of our applicants to be in contact with the Plan Commissioner from the district. This property is located in District 7, and you may contact Commissioner Melvin Traylor at (214) 670-3086.

Please contact me at (214) 670-3917 if you have any questions.

Sincerely,



Jennifer Pitner
Senior Planner
Department of Development Services

Cc: The Hondo Trust

COD_HOU 0009316

000009



CITY OF DALLAS

March 24, 2005

Mr. Ronald Slovacek
Kiest General, LLC
318A Dallas Drive
Dallas, TX 76205

Denton

Re: Single-family Participation/Contract Documents

Dear Mr. Slovacek:

On February 23, 2005, the City Council Approved an amount of \$883,250 for the Single-Family Bond Infrastructure Proposal for the Cedar Crest Square project, assuming program criteria are met. The following documentation and/or information are required by the Department prior to execution of the Participation Agreement and the Contract. Please provide the following if not previously provided or if documents have changed:

- Market Study
- Environmental Study
- Appraisal
- Articles of Incorporation/Bylaws
- Board of Directors
- Compliance information (on properties owned or developed) Status of all city and county taxes; any code violations
- Federal Income Tax returns
- Tax ID number
- Development/General Partnership financial history
- Completed Good Faith Effort documentation package for Schedule I improvements (City participation only)
- Completed Certification of Application
- Receive City approval of licensed Engineer/PE and/ or consulting firm to be used
- All projects are required to comply with the Storm Water Pollution Prevention requirement. A copy is included.

COD_HOU 0009317

Bryan, Jimmy

From: Bryan, Jimmy
Sent: Monday, June 13, 2005 9:08 AM
To: Obeso, Mark; Williams, Terry
Subject: Cedar Crest Square

Slovacek's update on his Bond Project:

\$500K gap financing is now a \$250K shortfall due to some re-engineering. He said Councilmember Chaney is assisting on this issue, and is supposed to get something in writing from Chaney's office this week concerning the gap financing shortfall.

Zoning turned in last Wednesday; they had to complete a Traffic Impact Analysis.

Private Development contracts in the works.

Jimmy L. Bryan

COD_HOU 0009318

6/13/2005

000011

Bryan, Jimmy

From: Ronald W. Slovacek [landdevelopment@ez2.net]
Sent: Monday, May 16, 2005 3:39 PM
To: Bryan, Jimmy
Cc: andrealkc@grandecom.net
Subject: RE: City of Dallas Single Family Bond Program - Cedar Crest Square

Current status of Cedar Crest Square is as follows:

- Zoning request application was turned in last Wednesday, but was not accepted due to lack of traffic impact study not being attached. We were told at the preliminary zoning meeting that only a traffic study worksheet would be needed, not a traffic study. We are in process of getting this study completed so that our application is complete
- Final engineering is almost complete. At it's completion, we can prepare the tri-party agreement.

Some assistance that may be helpful concerns the traffic study. The traffic department could issue a waiver for the traffic study so that our zoning application would be complete without the traffic study. This study is costing us time and additional dollars. We've approached the Planning commissioner for the district about this and are waiting for a meeting with him to discuss.

Thanks for your time,
Ronald W. Slovacek

From: Bryan, Jimmy [mailto:jimmy.bryan@dallascityhall.com]
Sent: Friday, May 13, 2005 10:51 AM
To: landdevelopment@ez2.net
Subject: City of Dallas Single Family Bond Program - Cedar Crest Square

Ron,

Could you please provide a brief update on your subject development.

What is the status on the completion of your predevelopment/tri-party agreement?

Please let me know if I can be of any assistance.

Jimmy L. Bryan
Mortgage Assistance Program/SF Bond
Housing Department
214.670.5110

COD_HOU 0009319

5/16/2005

000012

Williams, Terry

From: Bryan, Jimmy
Sent: Monday, May 16, 2005 4:06 PM
To: Obeso, Mark
Cc: Williams, Terry
Subject: City of Dallas Single Family Bond Program - Cedar Crest Square

Cedar Crest Square - Ron Slovacek

Zoning request application was turned in last Wednesday, but was not accepted due to lack of traffic impact study not being attached. They were told at prelim zoning meeting that only a traffic study worksheet would be needed not a traffic study.

Final engineering is almost complete, and then a tri-party agreement may be prepared.

Ron states that the Traffic department could issue a waiver for the traffic study so that the zoning application would be deemed complete. The study is costing him time and additional dollars. He has requested a meeting with the Planning Commissioner for the district.

He has requested assistance from the Housing Department concerning this issue.

Please let me know if our Department can assist him in the request for waiver.

Jimmy L. Bryan

Stok gap financing

Zoning

Specs contract w/ Public works

COD_HOU 0009320



CITY OF DALLAS

April 19, 2005

Mr. Ronald Slovacek
Ms. Andrea Spencer
Kiest Blvd., LP
318A Dallas Drive
Denton, TX 76205

Re: Residential Development Acquisition Loan Program Award

Dear Mr. Slovacek and Ms. Spencer:

On February 23, 2005, the City Council approved Council Resolution #05-0661 awarding \$150,000 for the acquisition of 3200 E. Kiest Blvd., a 37.1 acre parcel for development of 201 housing units for the Cedar Crest Square project. The Residential Development Acquisition Loan Program (RDALP) loan award was made to Kiest Blvd., LP for ten (10) years at a one (1) percent interest rate. The RDALP loan will be in the form of a deferred payment loan forgiven over a period of ten (10) years, at one tenth per year, as long as the loan is in good standing and meets the affordability requirements. It is understood that the RDALP award will provide the necessary gap financing to close on the acquisition of the property. The following documentation and/or information is required by the Department prior to execution of a loan agreement. Please provide the following if not previously provided or if documents have changed:

- Executed Sales Contract with any additional terms and conditions for the acquisition of 3200 E. Kiest Blvd.
- Environmental Study
- Appraisal
- Lender's Financial Commitment for the total amount to be funded for the purchase of the property with terms and conditions and estimated closing date
- Revised budgets reflecting all costs associated with the development of the acquisition, infrastructure and construction of homes
- Property Description
- Deed Restrictions

You will recall that during our meeting last month with Jerry Killingsworth, we discussed the infrastructure gap and we requested a plan and confirmation of how the approximate \$500,000 gap would be filled. Until the funding gap is resolved, the Department will not be able to execute the RDALP loan. However, if the necessary

COD_HOU 0009321

April 19, 2005
Kiest Blvd., LP Award
Page 2

documents are submitted, the Department will be in a position to forward the loan package to the City Attorney's Office for development and execution.

Please understand that this letter is a non-binding commitment. Kiest Blvd., LP is not authorized to expend or contract to expend the RDALP funds until a final contract is approved and executed between Kiest Blvd., LP and the City. The funding is subject to the availability of federal CDBG funds and the terms contained in the final contract. Housing Department staff is ready to meet with you, at your convenience, to discuss the project and the information required to develop the contact.

If you have questions or require assistance during this process, please contact me at (214) 670-3601 or Terry Williams, Nonprofit Development Manager at 214-670-4648.

Sincerely,



Mark Obeso, Assistant Director
Housing Department

C: Jerry Killingsworth, Director
Terry Williams, Nonprofit Development Manager

COD_HOU 0009322

000015

February 23, 2005

WHEREAS, the City of Dallas seeks to increase the supply of new affordable housing for low and moderate income and working individuals and families in order to attract and retain economic growth; and

WHEREAS, on June 26, 2002, by Resolution 02-1980, the City Council adopted the FY 2002-03 Consolidated Plan Budget which included \$1,000,000 in Community Development Block Grant (CDBG) funds for single-family development; and

WHEREAS, on September 24, 2003, City Council Resolution No. 03-2552, authorized (1) the use of \$1,000,000 in funds, for the acquisition of real property for single-family and multi-family developments, (2) a Program Statement for the Residential Development Acquisition Loan Program (RDALP), and (3) implementation of the RDALP, and

WHEREAS, on April 28, 2004, City Council Resolution No. 04-1449 authorized amendments to the Program Statement for the RDALP to: 1) allow an open application policy for acceptance of unsolicited applications on an on-going basis in addition to the ability to use a Request For Applications, 2) allow for acquisition of vacant property for new multifamily construction, rehabilitation of existing multifamily complexes in addition to the acquisition for demolition and reconstruction currently authorized; and 3) remove the limitation on the resale of single-family lots in the Neighborhood Investment Program areas that currently requires these lots to be sold only to developers who have also acquired single-family lots in these areas through the City of Dallas Land Bank Program;

WHEREAS, on August 25, 2004, City Council Resolution No. 04-2436 authorized an amendment to the Program Statement for the Residential Development Acquisition Loan Program to provide for subordination of City loans to private lender loans for acquisition, interim construction and permanent financing; and

WHEREAS, on October 27, 2004, City Council Resolution No. 04-3098 authorized amendments to the Program Statement for the Residential Development Acquisition Loan Program to provide for 1) acquisition of unimproved and improved single family lots city-wide; 2) demolition costs associated with the acquisition of improved single-family lots; and 3) relocation payments associated with the acquisition as may be required under Chapter 39A of the Dallas City Code or the Uniform Relocation Act.; and

WHEREAS, on November 10, 2004, City Council Resolution No. 04-3193 authorized an amendment to the Program Statement for the Residential Development Acquisition Loan Program to approve a policy prohibiting the placement of industrial housing on properties sold by the City or its Land Bank; and

COD_HOU 0009323

APPROVED

HEAD OF DEPARTMENT

APPROVED

CITY CONTROLLER

APPROVED

CITY MANAGER

February 23, 2005

WHEREAS, on January 12, 2005, City Council Resolution No. 05-0169 the City Council of amended the Program Statement for the Residential Development Acquisition Loan Program to allow for acquisition of improved and unimproved properties city-wide; and

WHEREAS, The City Council desires to authorize a \$150,000 contract with Kiest Blvd., LP, for the acquisition of 37.1 acres of land located at 3200 E. Kiest; **NOW THEREFORE**,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:

Section 1. That the City Manager, upon approval as to form by the City Attorney, is authorized to execute loan documents with Kiest Blvd. LP I an amount not to exceed \$150,000 of Community Development Block Grant funds to fund for the acquisition of 3200 E. Kiest Blvd, a 37.1 acre parcel, for the development of 201 housing units. The term of the acquisition loan shall be for ten (10) years at a one (1) percent interest rate. The loan assistance will be in the form of a deferred payment loan forgiven over a period of ten (10) years, at one tenth per year, as long as the loan is in good standing and meets the affordability requirements.

Section 2. That the City Controller be authorized to disburse funds in accordance with this Resolution and the Program Statement for the Residential Development Acquisition Loan Program as follows:

<u>DEVELOPMENT INVESTMENT</u>			<u>VENDOR - 518124</u>		
<u>FUND</u>	<u>AGCY</u>	<u>ORG</u>	<u>OBJ</u>	<u>PD</u>	<u>AMOUNT</u>
CD02	HOU	2346	3099	HOU2346D042	\$150,000

Section 3. That this resolution shall take effect immediately from and after its passage in accordance with the charter of the City of Dallas, and it is accordingly so resolution.

APPROVED BY
CITY COUNCIL

DISTRIBUTION:

Housing Department
City Attorney's Office
Office of Financial Services/Community Development, 4FN

FEB 23 2005

Shirley Gey
City Secretary

COD_HOU 0009324

APPROVED *[Signature]*
HEAD OF DEPARTMENT

APPROVED *[Signature]*
CITY CONTROLLER

APPROVED *[Signature]*
CITY MANAGER

February 23, 2005

WHEREAS, the City of Dallas seeks to increase the supply of new affordable housing for low and moderate income and working individuals and families in order to attract and retain economic growth; and

WHEREAS, On June 23, 2004, the Dallas City Council authorized issuance of a Request for Applications (RFA) under the Single-Family Housing Infrastructure Development Bond Program to solicit proposals from developers to build street and alley infrastructure improvements, including incidental drainage improvements, for new low- to moderate-income single-family subdivisions, contingent on the availability of future bond proceeds; and

WHEREAS, On July 2, 2004, the Housing Department issued a RFA seeking applications from developers to build infrastructure improvements for new mixed-income single-family subdivisions and applications were received on November 12, 2004; and

WHEREAS, On January 6, 2005, the Single-Family Infrastructure Review Committee recommended approval of four responsive applications; and

WHEREAS, On January 18, 2005, the Housing and Neighborhood Development Committee recommended approval of four (4) projects for bond funding under the Single-Family Infrastructure Participation Program for use of \$2,202,135 in 2003 General Obligation Bond funding for single-family development; **NOW THEREFORE;**

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:

Section 1. That the City Council of the City of Dallas hereby authorizes the use of \$2,202,135 in 2003 General Obligation Bonds for four (4) projects recommended for funding on the schedule attached as " Exhibit 1".

Section 2. That the City Manager or her designee, upon approval as to form by the City Attorney, is hereby authorized to execute a participation agreement and a private development contract, including the applicable specifications, with each of the four (4) vendors recommended for award, subject to each vendor entering into and recording deed restrictions acceptable to the City Attorney's Office. The deed restrictions will require that , as to each project, the indicated number of lots will be sold to low and moderate income households with the indicated subsidies passed through to the purchasers as shown on Exhibit 1.

COD_HOU 0009325

APPROVED _____ APPROVED _____ APPROVED _____
HEAD OF DEPARTMENT CITY CONTROLLER CITY MANAGER

February 23, 2005

Section 3. That the Controller is hereby authorized to encumber and disburse funds in accordance with the terms and conditions of the contracts as follows:

Fund 3R21, Agency PBW, Org R873, Obj 4210, PD HOUR873D038, \$219,178
Vendor #518078, Garden Grove Development Group

Fund 3R21, Agency PBW, Org R873, Obj 4210, PDHOUR873D039, \$ 19,636
Fund 4R21, Agency PBW, Org R873, Obj 4210, \$733,770
Vendor #518198, Klingman Development Company

Fund 4R21, Agency PBW, Org R873, Obj 4210, PDHOUR873D040, \$346,301
Vendor #518132, Mooreland Development

Fund 4R21, Agency PBW, Org R873, Obj 4210, PD HOUR873D041, \$883,250
Vendor # 518124, Kiest Blvd, LP

Section 4. That this resolution shall take effect immediately from and after its passage in accordance with the charter of the City of Dallas, and it is accordingly so resolved.

DISTRIBUTION:

Housing Department ✓
City Attorney's Office
Office of Financial Services/Community Development, 4FN

APPROVED BY
CITY COUNCIL

FEB 23 2005

Shirley Gray
City Secretary

COD_HOU 0009326

APPROVED *Douglas A. Dyke* APPROVED *R. Williams* APPROVED *[Signature]*
HEAD OF DEPARTMENT CITY CONTROLLER CITY MANAGER



CITY OF DALLAS

June 22, 2005

Mr. Allen Bussell
Greg Edwards Engineering
1621 Amanda Court
Ponder, TX 76259

Post-It® Fax Note	7671	Date	6/22	# of pages	2
To	Mark Obeso	From	Jennifer Pitner		
Co./Dept.		Co.			
Phone #		Phone #	670-3917		
Fax #	670-0154	Fax #			

VIA FACSIMILE (1-940-482-8128)

RE: Z045-248 (JP)
Northeast corner of E. Kiest Boulevard and Southerland Avenue

Dear Mr. Bussell:

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- the review comment from DART stating it is not responsible for screening or noise issues adjacent to its property

COD_HOU 0009327

Per our Friday, June 17, 2005 meeting, some of your proposed PD conditions do not address some of requirements of the code, such as designating the private accessory community center and residential landscaping requirements. If you wish to make any additions or revisions, it should be received by July 1, 2005 in order to be included as the proposed PD conditions for the Commission meeting. This does not affect the Staff recommendation.

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Staff would like to remind you that we strongly encourage all of our applicants to be in contact with the Plan Commissioner from the district. This property is located in District 7, and you may contact Commissioner Melvin Traylor at (214) 670-3086.

Please contact me at (214) 670-3917 if you have any questions.

Sincerely,



Jennifer Pitner
Senior Planner
Department of Development Services

Cc: The Hondo Trust

COD_HOU 0009328

000021

Zoning Review Comment Sheet

Please complete this zoning comment sheet and return it to me by **Monday, June 20, 2005** so that staff can consider your input.

The meeting has been scheduled for **Tuesday, June 21, 2005 at 9:30 a.m.** in conference room 5BN of City Hall.

If you have any questions or comments concerning an application but are unable to return your sheets then please call or fax your comments to 214.670.3917 or 214.670.4210 respectively. *Only the zoning review comment sheet is required when faxing.*

Hand Blue LP

**CPC Hearing Date: July 14, 2005
Planner: Jennifer Pitner
City Hall: Room 5BN**

<input checked="" type="checkbox"/> No objection	Z045-248
<input type="checkbox"/> No objection if certain conditions are met (see comments)	
<input type="checkbox"/> Recommends denial (see comments)	
<input type="checkbox"/> No comment	

Comments: This is a City Bond Project that
has housing support, additional funding
is allocated from CDBG funds and
will be an important inner-city development.
Applicant has met Hsg Dept criteria.

Completed by: (Please Print)

Name: Mark Obero Title: Asst Direct Department: HOU

Mark Obero 6/21/05 COD_HOU 0009329
Signature Date

Note: The City Council has directed all departments to review zoning applications, respond to each case, and to provide comments that justify or elaborate on your response. Dockets distributed to the City Plan Commission and City Council will indicate whether or not your office has responded in writing to our requests for comments.

City of Dallas

Zoning Case Review Distribution

City Departments

Mary Parr (2)	Assistant City Attorney's Office	7DN
Terry Mitchell	Aviation	Love Field
Michael Sultan *	Building Inspection	OCMC Room 105
Phil Sikes	Building Inspection	OCMC Room 204
Jack Guerra*	Building Inspection	OCMC Room 105
Joseph Polino	City Marshal	1600 Chestnut St
Faye Williams	Code Compliance	4230 W. Illinois #202
David Cossum, Neva Dean, Mike Finley, Donnie Moore, Richard Brown, Frank Dominguez, Warren Ellis, Maureen Meredith, David Whitley	Current Planning	5BN
Leif Sandberg, Peer Chacko, Angela Calvin (3)	Comprehensive Planning	5CN
Paul Nelson	Current Planning	OCMC Room 105
Ed Bataman	Customer Service	OCMC Room 203
Theresa O'Donnell	Development Services	5DN
Dorian Franck *	Engineering	OCMC Room 218
Hamid Fard*	Engineering	OCMC Room 200
Dave Miller	Environmental & Health Services	OCMC Room LL13
Rodger Jayroe	Environmental Assessments	OCMC Room LL18
Tom Izbicki	Fire	OCMC Room 105
Cobbie Ransom	Housing	6DN
Calvin McAllister	Housing Compliance	1BN
Ramiro Lopez	Office of Environmental Quality	L2FS
Michael Hellmann	Park and Recreation	6FS
Sgt Whitfield	Police-ICP	1400 Lamar St.
Jack Anlebi *	Public Works & Transportation (engineering)	L1BN
Sophia I Harvey	Public Works & Transportation (storm water)	OCMC Room 306
Gladys Bowen	Real Estate	OCMC Room 203
Jody Puckett	Sanitation Services	3112 Canton St. #200
Darrell Fourie	Street Services	3112 Canton St. #200
Rebecca Dugger	Trinity River Project	OCMC Room 101
Yilma Zerhun	Water	5510 S Westmoreland #200

Outside Entities

Stan Armstrong	Dallas Independent School District	3700 Ross Box 75, 75204
Jack Wierzenski	Dallas Rapid Transit Authority	P.O. Box 660163, 75266
Mark Bringham	ONCOR	400 College- Grand Prairie, 75050

CPC Hearing Date: July 14, 2005
Staff Case Review: June 21, 2005

* Denotes Staff who receive full-sized plan for review

COD_HOU 0009330

000023



City of Dallas

Department of Development Services

1500 Marilla Street Room 5B North Dallas, TX 75201 Phone 214.670.4200 Fax 214.670.4210

Zoning Change Application

October 2002

Provide the following information. (Please print).

Applicant		Representative		Owner	
Owner <input type="checkbox"/> <input checked="" type="checkbox"/> Prospective Buyer				Individual <input type="checkbox"/> <input type="checkbox"/> Corporation	
Tenant <input type="checkbox"/>				Partnership <input type="checkbox"/> <input checked="" type="checkbox"/> Trust	
Name:	Kiest Blvd. L.P.	Name:	GEES, Inc. (Allen Bussell)	Name:	The Hondo Trust
Address:	318 A Dallas Drive	Address:	1621 Amanda Ct.	Address:	11615 Forest Central #209
City/ST/Zip:	Denton, TX 76205	City/ST/Zip:	Ponder, TX 76259	City/ST/Zip:	Dallas, TX 75243-3921
Telephone:	940.243.0945	Telephone:	940.482.2907	Telephone:	
Fax:	214.485.1684	Fax:	940.482.8128	Fax:	
E-mail:	LandDevelopment@ez2.net	E-mail:	abussell@gees.us	E-mail:	
 Signature of Applicant		 Signature of Representative		 Signature of Owner	

Existing zoning:	IR	Location & cross street:	Northeast corner of Kiest Boulevard and Southerland		
Mapcco no.	55-M	Request:	Create a pedestrian friendly, low to moderate density, mixed-use development. Uses located as follows: Commercial optional multi-family on 2nd or 3rd floors along Kiest Boulevard, transition to a Townhouse use in the center of the tract and then to a Single Family Detached use with a Community Center on the east side of the property.		
Zoning map no.	L-7, 6-8, m-7, m-8				
Council district	7				
School district	5				
Census tract no.	0086.03	Lot(s)/Block(s):	Block 7716, Tract 1	Size of request:	37.1 Acres

Areas below to be completed by staff during application intake.

General Zoning Change*	Specific Use Permit*	Planned Development District*	Deed Restrictions*
	New <input type="checkbox"/> <input type="checkbox"/> Renewal Amendment <input type="checkbox"/> <input type="checkbox"/> Auto Renewal**		Termination <input type="checkbox"/> <input type="checkbox"/> Amendment**
Proper signatures <input type="checkbox"/>	Proper signatures** <input type="checkbox"/>	Proper signatures <input checked="" type="checkbox"/>	Proper signatures <input checked="" type="checkbox"/>
Letter(s) of authorization <input type="checkbox"/>	Letter(s) of authorization** <input type="checkbox"/>	Letter(s) of authorization <input checked="" type="checkbox"/>	Letter(s) of authorization <input type="checkbox"/>
Land use statement <input type="checkbox"/>	Land use statement <input type="checkbox"/>	Land use statement <input checked="" type="checkbox"/>	Land use statement <input type="checkbox"/>
Zoning Location Maps (2) <input type="checkbox"/>	Draft Conditions <input type="checkbox"/>	Draft Conditions <input checked="" type="checkbox"/>	Zoning Location Maps (2) <input type="checkbox"/>
Tax Plat Maps (2) <input type="checkbox"/>	Zoning Location Maps (2)** <input type="checkbox"/>	Zoning Location Maps (2) <input checked="" type="checkbox"/>	Tax Plat Maps (2) <input type="checkbox"/>
Correct lot & block or Metes & Bounds survey with drawing (2) <input type="checkbox"/>	Tax Plat Maps (2) <input type="checkbox"/>	Tax Plat Maps (2) <input checked="" type="checkbox"/>	Correct lot & block or Metes & Bounds survey with drawing (2) <input type="checkbox"/>
Copy of Deed <input type="checkbox"/>	Correct lot & block or Metes & Bounds survey with drawing (2) <input type="checkbox"/>	Correct lot & block or Metes & Bounds survey with drawing (2) <input checked="" type="checkbox"/>	Copy of Deed <input type="checkbox"/>
Tax and lien statements <input type="checkbox"/>	Copy of Deed <input type="checkbox"/>	Copy of Deed <input checked="" type="checkbox"/>	Tax and lien statements <input type="checkbox"/>
Traffic Impact Worksheet <input type="checkbox"/>	Tax and lien statements <input type="checkbox"/>	Tax and lien statements <input checked="" type="checkbox"/>	List of partners/principals/officers** <input type="checkbox"/>
Traffic Impact Study or Waiver** <input type="checkbox"/>	Traffic Impact Worksheet <input type="checkbox"/>	Traffic Impact Worksheet <input checked="" type="checkbox"/>	Termination Instrument** <input type="checkbox"/>
List of partners/principals/officers** <input type="checkbox"/>	Traffic Impact Study or Waiver** <input type="checkbox"/>	Traffic Impact Study or Waiver** <input checked="" type="checkbox"/>	New Instrument** <input type="checkbox"/>
	List of partners/principals/officers** <input type="checkbox"/>	List of partners/principals/officers** <input checked="" type="checkbox"/>	Copy of executed deed restrictions** <input type="checkbox"/>
	Site Plans (10 folded) <input type="checkbox"/>	Conceptual plans (10 folded) or Development Plans (10 folded) <input checked="" type="checkbox"/>	
	Landscape Plans (10 folded)** <input type="checkbox"/>	Landscape Plans (10 folded)** <input checked="" type="checkbox"/>	
	Tree Survey (2 folded)** <input type="checkbox"/>	Tree Survey** <input checked="" type="checkbox"/>	
		Elevation/perspectives (optional) <input type="checkbox"/>	

*Additional requirements may be determined as necessary prior to application acceptance. ** If required.

2 year waiver:	Y <input type="checkbox"/> N <input checked="" type="checkbox"/>	Filing fee: \$	9549.00	Sign fee: \$	50.00	Date filed:	6-8-05
Escarpment	Y <input type="checkbox"/> N <input checked="" type="checkbox"/>	Receipt no.	32500	Receipt no.	32500	Accepted by:	TS
Floodplain	Y <input type="checkbox"/> N <input checked="" type="checkbox"/>	Notification area:	500 FT	No. of signs:	5	Date withdrawn:	

JULY 21, 2005

Pitner

COD_HOU 0009331 000024

Land Use Statement

Purpose:

- 37 acre tract currently
- Zoned for light industrial uses.
- Adjacent properties
 - North, DART bus facility
 - East, Railroad tracks
 - South, Southerland Drive
 - West: Kiest Boulevard
- No existing structures are located on the property
- Provide a mixed use neighborhood close to transportation and employment. To create a walkable community that encourages interaction between residents
- Maximum building height and lot coverage are listed below in the proposed conditions.

Location:

Subject tract is located at 3200 East Kiest Boulevard (Northeast corner of Kiest and Southerland).

Proposed Conditions

Land Use:

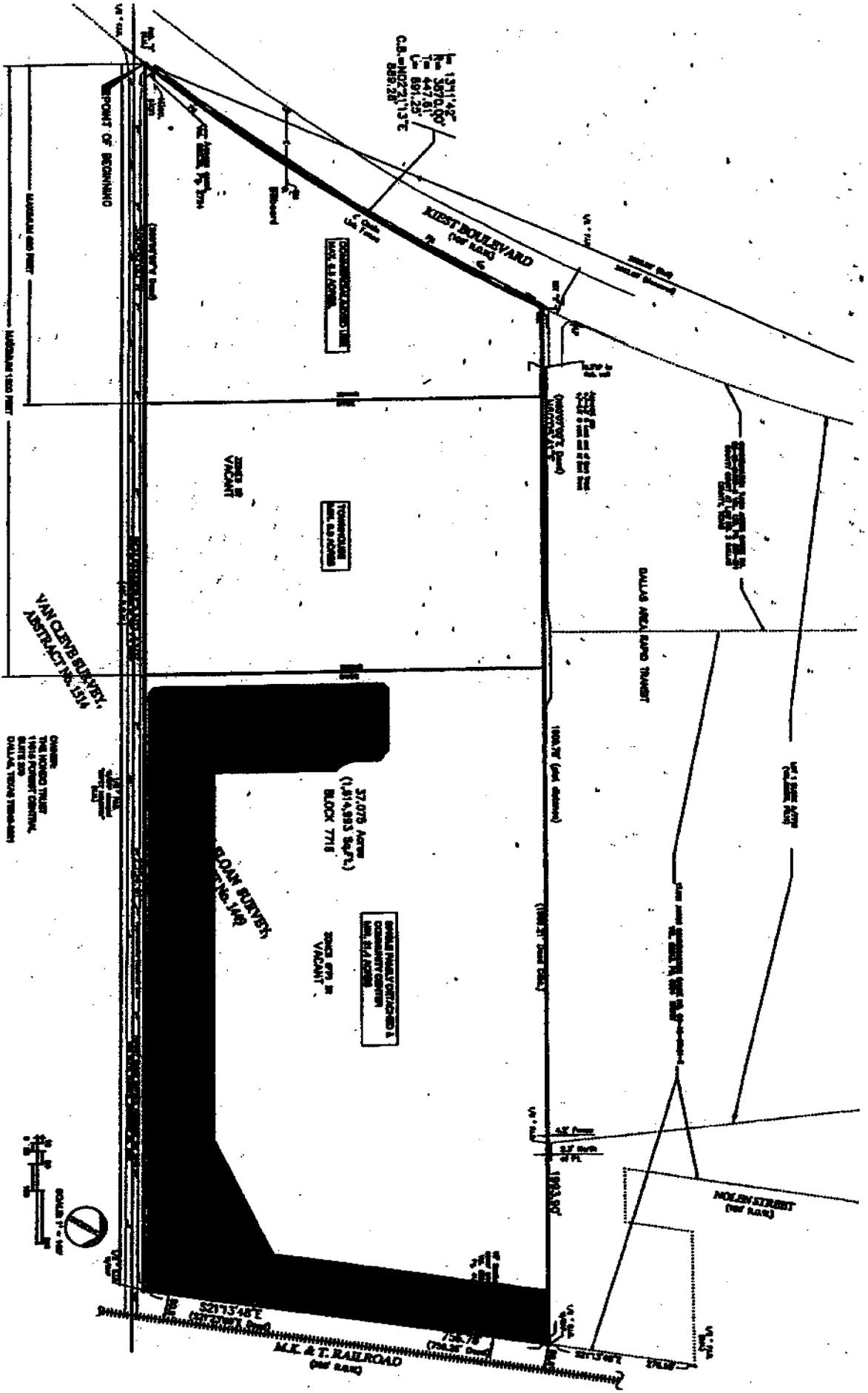
Use Location: Project is divided into 3 areas with limits based on the southwest corner of the tract extending a line north and perpendicular to the northern boundary line of the tract. (Reference: Exhibit A)

1. Commercial mixed use
 - a. Located along Kiest Boulevard extending to a line not to exceed 650 feet from the Southwest corner of the property.
2. Townhouse
 - a. Located adjacent to the Commercial/Mixed Use area and extending to a line not to exceed 1200 feet from the Southwest corner of the property.
3. Single Family Detached.
 - a. Located adjacent to the townhouse area and extending to the eastern most boundary of the property.

Allowed Uses:

1. Commercial Mixed Use:
 - a. All uses allowed in NS(A) Neighborhood Service District
 - b. All uses allowed in NO(A) Neighborhood Office District
 - c. Financial Institution with Drive-thru
 - d. Financial Institution without Drive-thru
 - e. General Merchandise or Food Store 3,500 square feet or less
 - f. General Merchandise or Food Store greater than 3,500 square feet
 - g. Dry Cleaning or Laundry Store with Drive-thru
 - h. Dry Cleaning or Laundry Store without Drive-thru
 - i. Personal Services Uses
 - j. Multi-Family (allowed on second and third story only)

COD_HOU 0009332



PROPERTY DATA:
 Address: 3000 E KIEST BLVD
 Mapping: SA-41 (DALLAS)
 Zoning Map #: 7
 Council District: 5
 School District: 8
 Census Tract: 028403
 Neighborhood: 200426

Exhibit A

OWNER:
 THE HONOLD TRUST
 1904 FOUNTAIN COUNTRY,
 SUITE 200
 DALLAS, TEXAS 75244

PREPARED BY:
 GREG EDWARDS ENGINEERING SERVICES, INC.
 1001 AVENUE C, SUITE 100
 FORT WORTH, TEXAS 76102
 P: 817-335-1111
 F: 817-335-1112
 WWW.GES.COM

Cedar Crest Square



COLLECTION INDEXED USER:

- TYPE OF USER
- NUMBER OF USERS
- NUMBER OF COLLECTIONS
- NUMBER OF COLLECTIONS PER USER
- NUMBER OF COLLECTIONS PER USER PER MONTH
- NUMBER OF COLLECTIONS PER USER PER YEAR
- NUMBER OF COLLECTIONS PER USER PER YEAR PER MONTH
- NUMBER OF COLLECTIONS PER USER PER YEAR PER QUARTER
- NUMBER OF COLLECTIONS PER USER PER YEAR PER SEMESTER
- NUMBER OF COLLECTIONS PER USER PER YEAR PER YEAR

BOULEVARD MAIN:

- TYPE OF USER
- NUMBER OF USERS
- NUMBER OF COLLECTIONS
- NUMBER OF COLLECTIONS PER USER
- NUMBER OF COLLECTIONS PER USER PER MONTH
- NUMBER OF COLLECTIONS PER USER PER YEAR
- NUMBER OF COLLECTIONS PER USER PER YEAR PER MONTH
- NUMBER OF COLLECTIONS PER USER PER YEAR PER QUARTER
- NUMBER OF COLLECTIONS PER USER PER YEAR PER SEMESTER
- NUMBER OF COLLECTIONS PER USER PER YEAR PER YEAR

RESIDENTIAL TOWNHOUSE:

- TYPE OF USER
- NUMBER OF USERS
- NUMBER OF COLLECTIONS
- NUMBER OF COLLECTIONS PER USER
- NUMBER OF COLLECTIONS PER USER PER MONTH
- NUMBER OF COLLECTIONS PER USER PER YEAR
- NUMBER OF COLLECTIONS PER USER PER YEAR PER MONTH
- NUMBER OF COLLECTIONS PER USER PER YEAR PER QUARTER
- NUMBER OF COLLECTIONS PER USER PER YEAR PER SEMESTER
- NUMBER OF COLLECTIONS PER USER PER YEAR PER YEAR

RESIDENTIAL SINGLE FAMILY:

- TYPE OF USER
- NUMBER OF USERS
- NUMBER OF COLLECTIONS
- NUMBER OF COLLECTIONS PER USER
- NUMBER OF COLLECTIONS PER USER PER MONTH
- NUMBER OF COLLECTIONS PER USER PER YEAR
- NUMBER OF COLLECTIONS PER USER PER YEAR PER MONTH
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COURTYARD:

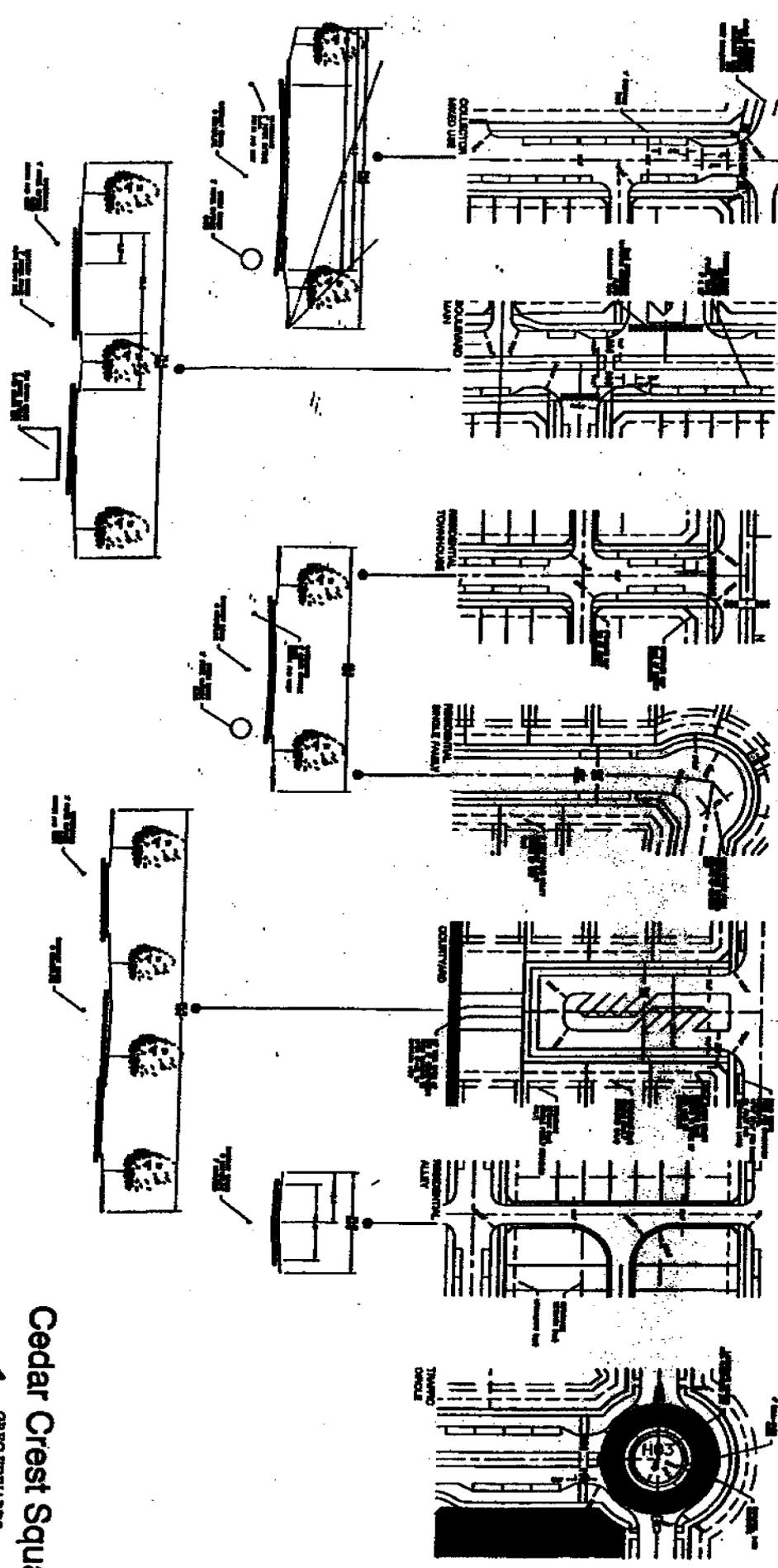
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- NUMBER OF COLLECTIONS
- NUMBER OF COLLECTIONS PER USER
- NUMBER OF COLLECTIONS PER USER PER MONTH
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- NUMBER OF COLLECTIONS PER USER PER YEAR PER QUARTER
- NUMBER OF COLLECTIONS PER USER PER YEAR PER SEMESTER
- NUMBER OF COLLECTIONS PER USER PER YEAR PER YEAR

RESIDENTIAL ALLEY:

- TYPE OF USER
- NUMBER OF USERS
- NUMBER OF COLLECTIONS
- NUMBER OF COLLECTIONS PER USER
- NUMBER OF COLLECTIONS PER USER PER MONTH
- NUMBER OF COLLECTIONS PER USER PER YEAR
- NUMBER OF COLLECTIONS PER USER PER YEAR PER MONTH
- NUMBER OF COLLECTIONS PER USER PER YEAR PER QUARTER
- NUMBER OF COLLECTIONS PER USER PER YEAR PER SEMESTER
- NUMBER OF COLLECTIONS PER USER PER YEAR PER YEAR

TRAINING CIRCLE:

- TYPE OF USER
- NUMBER OF USERS
- NUMBER OF COLLECTIONS
- NUMBER OF COLLECTIONS PER USER
- NUMBER OF COLLECTIONS PER USER PER MONTH
- NUMBER OF COLLECTIONS PER USER PER YEAR
- NUMBER OF COLLECTIONS PER USER PER YEAR PER MONTH
- NUMBER OF COLLECTIONS PER USER PER YEAR PER QUARTER
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- NUMBER OF COLLECTIONS PER USER PER YEAR PER YEAR



SECTIONS 1:16

PLAN VIEWS 1:48

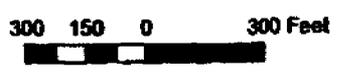
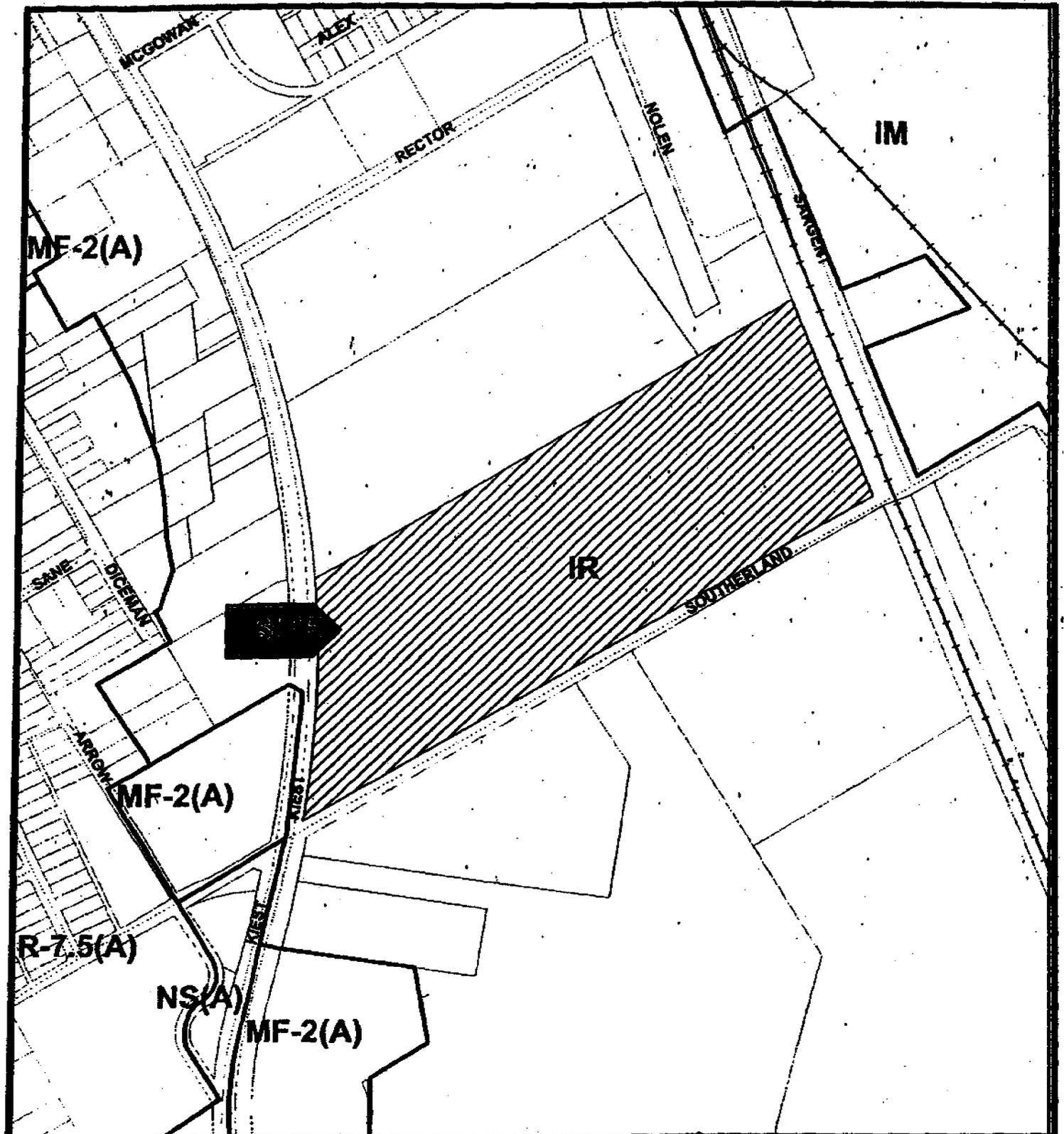
COD_HOU 0009334

STANDARD 000027

Exhibit B

Cedar Crest Square

GRUBB EDWARDS
ENGINEERING SERVICES, INC.
 1000 WEST 10TH AVENUE, SUITE 100
 DENVER, COLORADO 80202
 (303) 733-1100
 WWW.GRUBBEDWARDS.COM



Location & Zoning

Map: L-7, L-8, M-7, M-8
Case No.: Z045-248

COD_HOU 0009335

KIEST BLVD., LP

Monday, January 31, 2005

Mark Obeso
City of Dallas
City Hall, 6CN
1500 Marilla
Dallas, TX 75201

Sent Via Fax to: 214-670-0156

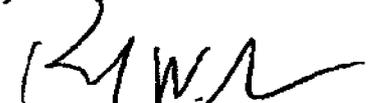
Re: Cedar Crest Square-Residential Development Acquisition Loan Program

Dear Mark:

We look forward to a successful partnership with the city in our Cedar Crest Square single family home subdivision at Kiest and Southerland in Dallas. As per our request in December of 2004 for \$150,000.00 from the Residential Development Acquisition Loan Program and in regards to the recommendation for approval that was made by the Loan Committee and the Housing and Neighborhood Development Committee, we request that our application for funds be processed as soon as possible and placed on the next available City Council agenda. We anticipate closing on the property in April, 2005 and beginning construction in August, 2005.

Thank you for your time, attention and help throughout this process.

Sincerely,


Ronald W. Slovacek
Manager of Kiest General, LLC

318A Dallas Drive
Denton/Texas/76205
469-231-2825/Fax: 940-243-0912

COD_HOU 0009336

000029

Sent: Tue, 28 Dec 2004 20:05:54 +0000 GMT
From: "Don Hill" <dhill@mycingular.blackberry.net>
Subject: Corner of kiest and Southerland
To: "Teresa ODonnell" <todonne@ci.dallas.tx.us>
Cc: "Ryan Evans" <REVANS@mail.ci.dallas.tx.us>, "Jerry Killingsworth" <JKILLIN@mail.ci.dallas.tx.us>

There is a landfill at this location which is a site for a major housing development. The project will seek some City bond money and killingsworth is excited about the potential of the project. at issue is whether the landfill permit which is about to expire will be renew. jerry sudsberry in development services has been working on this issue. This is a very important issue for this development going forward and is obviously important for the furtherance of the Council policy of southern sector economic development. Please let me know the status. thanks
don hil

COD_HOU 0009337

Sent: Mon, 03 Jan 2005 15:17:07 -0600
From: "Theresa O'Donnell" <todonne@mail.ci.dallas.tx.us>
Subject: Re: Corner of kiest and Southerland
To: <dhill@mycingular.blackberry.net>
Cc: "Jerry Killingsworth" <JKILLIN@mail.ci.dallas.tx.us>, "Johnny Sudbury" <JSudbury.OCMCPO.PWTmail@mail.ci.dallas.tx.us>, "Ryan Evans" <RyanEvans.First#032#Administrative#032#Group.Exchange@mail.ci.dallas.tx.us>
Good afternoon CM Hill -

here is what I know on that property.

this is a Flood Plain reclamation fill permit and is across the street from the proposed development. On this particular site, all of the allowable extensions of time have been exhausted and the site is officially shut down as of December 31, 2004. As of this time, they have not resubmitted for a new permit.

A new permit would be very difficult. Johnny Sudberry went out there today and the office on site has been removed and the gates are locked. There are not any valid permits or C.O.'s and therefore should not be any construction related activity on the property. We will watch the property and let you know if anything pops up.

Theresa

>>> "Don Hill" <dhill@mycingular.blackberry.net> 12/28/04 02:05PM >>>

There is a landfill at this location which is a site for a major housing development. The project will seek some City bond money and Killingsworth is excited about the potential of the project. At issue is whether the landfill permit which is about to expire will be renewed. Jerry Sudberry in development services has been working on this issue. This is a very important issue for this development going forward and is obviously important for the furtherance of the Council policy of southern sector economic development. Please let me know the status. Thanks Don Hill

COD_HOU 0009338

COMMENTS

Developer	Kiest BLVD. LP	
Location	NE corner Kiest/Southland Blvd	Proposed development is next to a DART maintenance terminal and also has bright lights facing the property. The property is also directly south of a private land fill.
Number of Units	128 single-family units & 75 town homes	Homes will range from \$90,000-\$120,000 for low/moderate homebuyers and market rate will go to \$180,000
Number of Acres	37 acres	
Amount Requested	\$883,250	
Amount of Equity	\$400,000	
Public Bid or Not	Yes	Bond Participation will exceed 30%
Lot Commitment and Amount	First State Bank	
Home Builder Commitment	KB Homes/ Trinity Homes	
Issues	Zoning Change Required- IR-Industrial Retail * \$400,000 in equity. \$150,000 of this equity from the City's Residential Development Acquisition Loan Program	

1:58 PM

COD_HOU 0009339

000032

CONTENTS

NO. 1	Executive Summary
NO. 2	Project Design (lots & infrastructure) Use of Alleys
NO. 3	Project Design (houses to be constructed)
NO. 4	Development Budget
NO. 5	20% of Units Affordable at 80% AMFI
NO. 6	Energy Efficient Homes
NO. 7	Site Control
NO. 8	Meets Minimum Lots
NO. 9	Successful Development of Similar Projects
NO. 10	Organizational Capacity
NO. 11	Borrower Equity
NO. 12	Citizen Participation
NO. 13	Acceptable Loan Commitment
NO. 14	Acceptable Homebuilder Commitments
NO. 15	Scoring Matrix

COMMENTS	
Developer	Kiest BLVD. LP
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Homes will range from \$90,000-\$120,000 for low/moderate homebuyers and market rate will go to \$180,000

Bond Participation will exceed 30%

Cedar Crest Square

SOURCES

Equity	\$400,000
Bank Loan	\$2,920,386
Bond Participation	<u>\$ 883,250</u>
	\$4,203,636

USES

Land	\$ 1,250,000
Development Costs	<u>\$2,953,636</u>
	\$4,203,636

NOTE:

Introduction

In an effort to bring new retail industry combined with single family housing to an area underserved in the southern sector of Dallas, it is proposed to utilize an existing 37 acre parcel at the corner of Kiest and Southerland. Looking to incorporate the Cedar Crest Golf course and current neighborhood.

This planned development will deliver a New Urban design to the community to include a community center as the focal point in the development. The proposed single family units will start from a minimum 1400 sq. ft. to over 2800 sq. ft., this will blend the development with a town home product in the front portion with floor plan designs starting in the 1400 square foot range. Retail/Professional office to add curb appeal to the community facing Kiest Blvd. The option for either residential or professional office to occupy the second and/or third floors.

Chapter

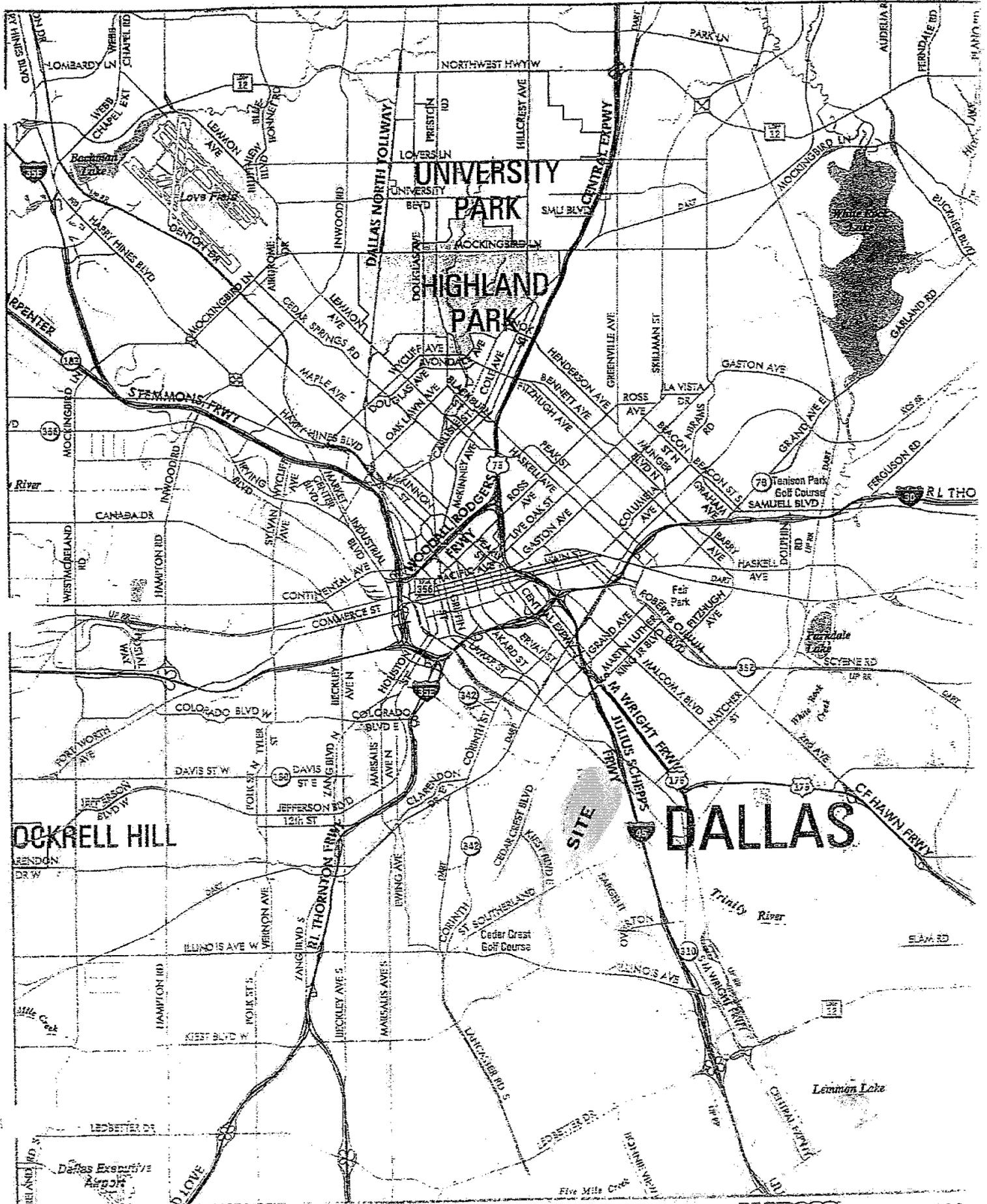
1

PROJECT DATA

Project Name: Cedar Crest Square

Project Description: A new mixed income single family housing neighborhood consisting of 75 single family detached lots as well as 128 single family townhome lots.

Project Location: Northeast corner of Kiest Boulevard and Southerland Avenue



SCALE: 1" = 7138'

COD_HOU 0009347

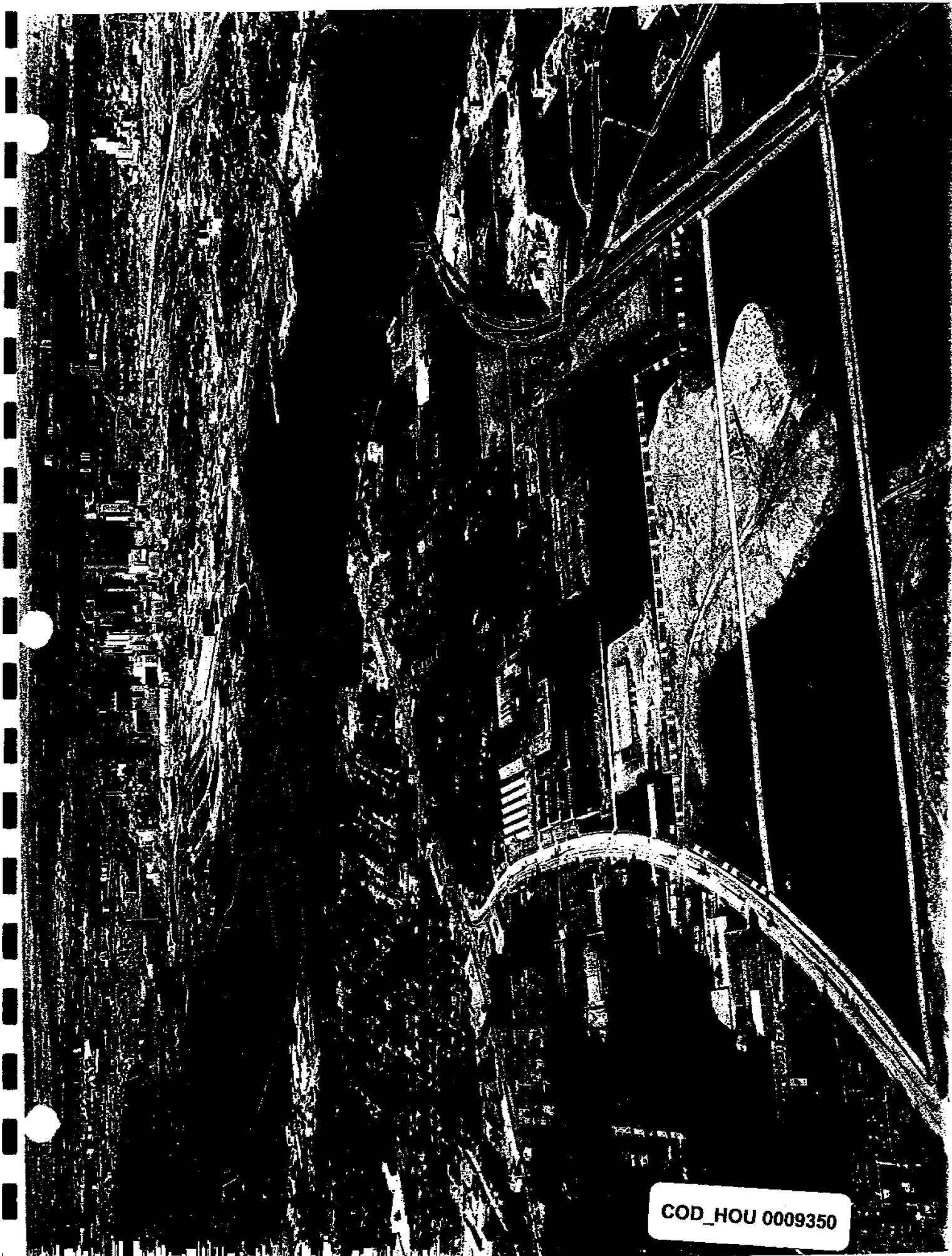
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COD_HOU 0009350

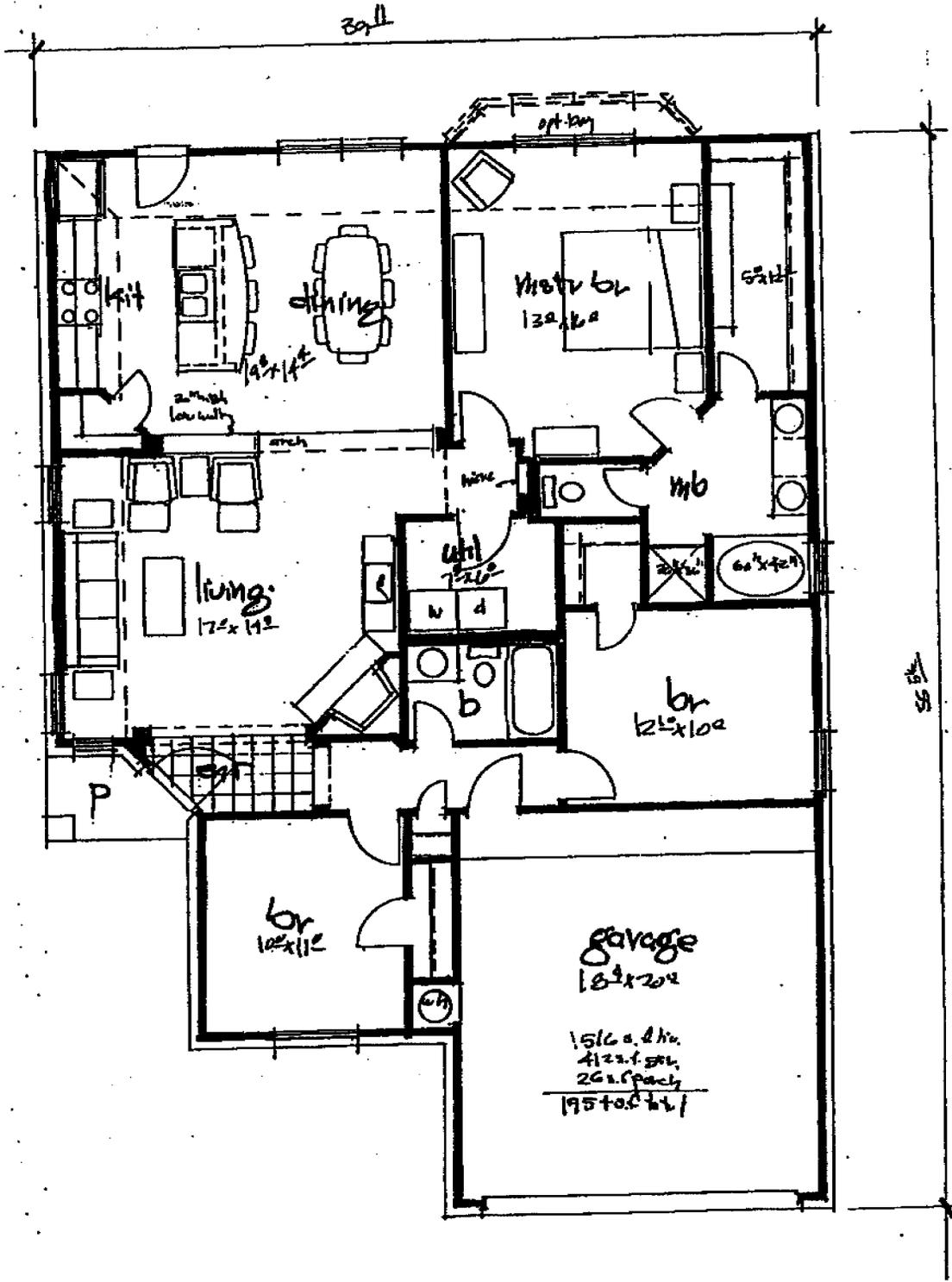
[Faint, illegible text consisting of approximately 15 horizontal lines]

COD_HOU 0009351

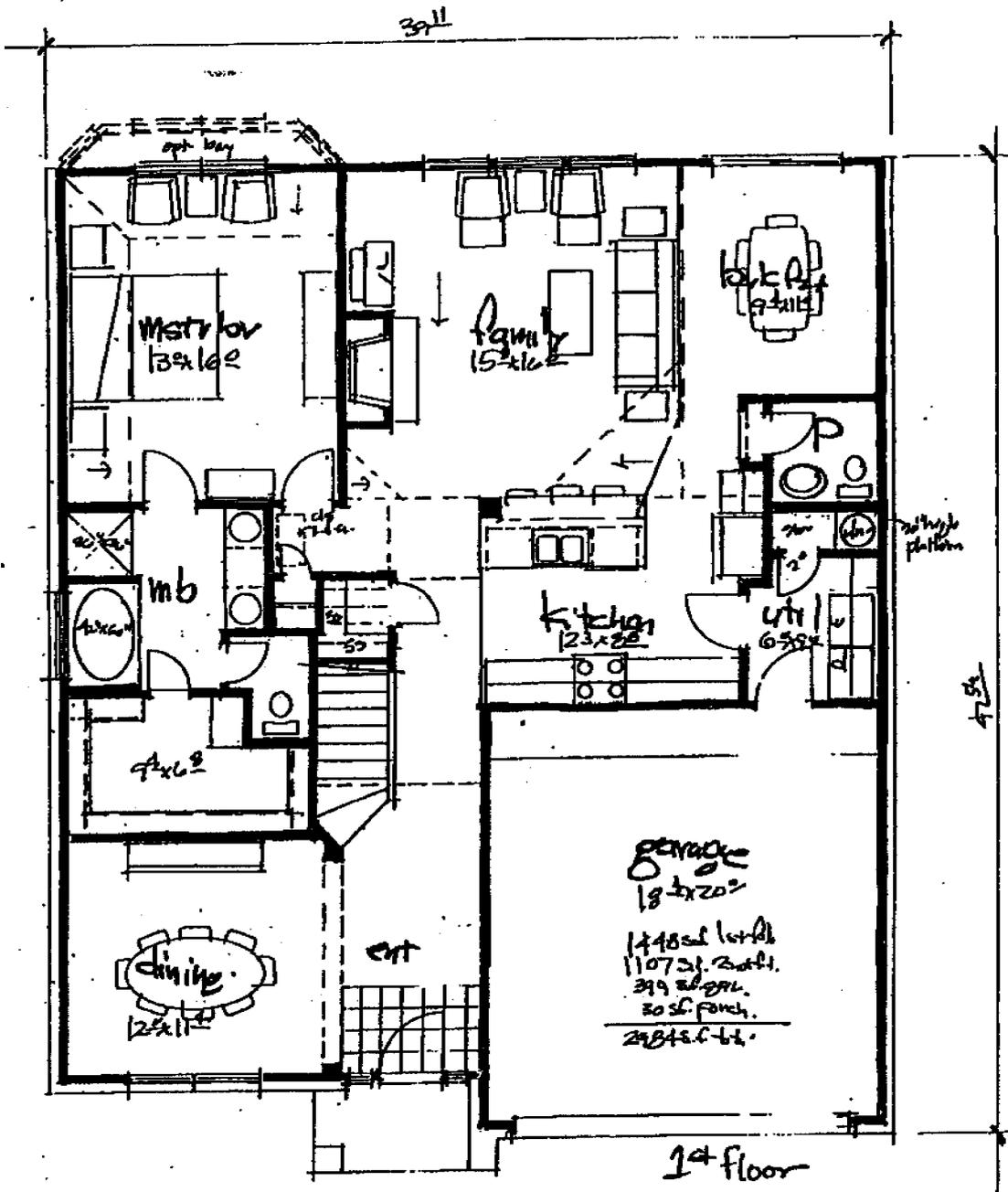
Product Strategy

The implementation of a buyer's strategy for the achievement of the builder and developer's objectives will be predicated on offering the best value for the consumer. This value will be generated by floor plan designs that have been value engineered to the local market and competition. The product strategy for the company has been formulated to establish a product line of Town home designs for approximately 128 lots and single family detached for 75 lots. The product will be designed to have standard options, flexibility to cater specifications to customer needs, and elevation options to offer upgraded facades. This can be accomplished by offering buyers a product that will have appeal to through elevation designs that incorporate classic Dallas architecture as well as new-urbanistic style elevations. The product designs have been designed to appeal to the three different buyer types found in the DFW market.

Buyer Type	Affordable Buyers	Modest Under Spenders	Achieving Spenders
Price Range	\$90-\$120	\$100-\$180	\$120-\$220
Economic Sensitivity	Interest Rate/ Down-payment	Interest Rate	Stock Market/ Consumer Conf.
% DFW <u>New Home</u> Buyers	26 %	33%	60%
Plan Preference	1 Story - 54%	Best Value	2 - Story Buyer
Product Series	40' wide frt. entry		50' wide frt. entry
Lot Size	50x100	50x100	50x100
	40' wide pads	40' wide pads	40' wide pads
Percentage of Business Desired	65%	20%	15%
Top 3 Competitors	Choice	Richmond American	Highland
	Fox & Jacob	Pulte	Diamond
	KBHome	D.R. Horton	Legacy



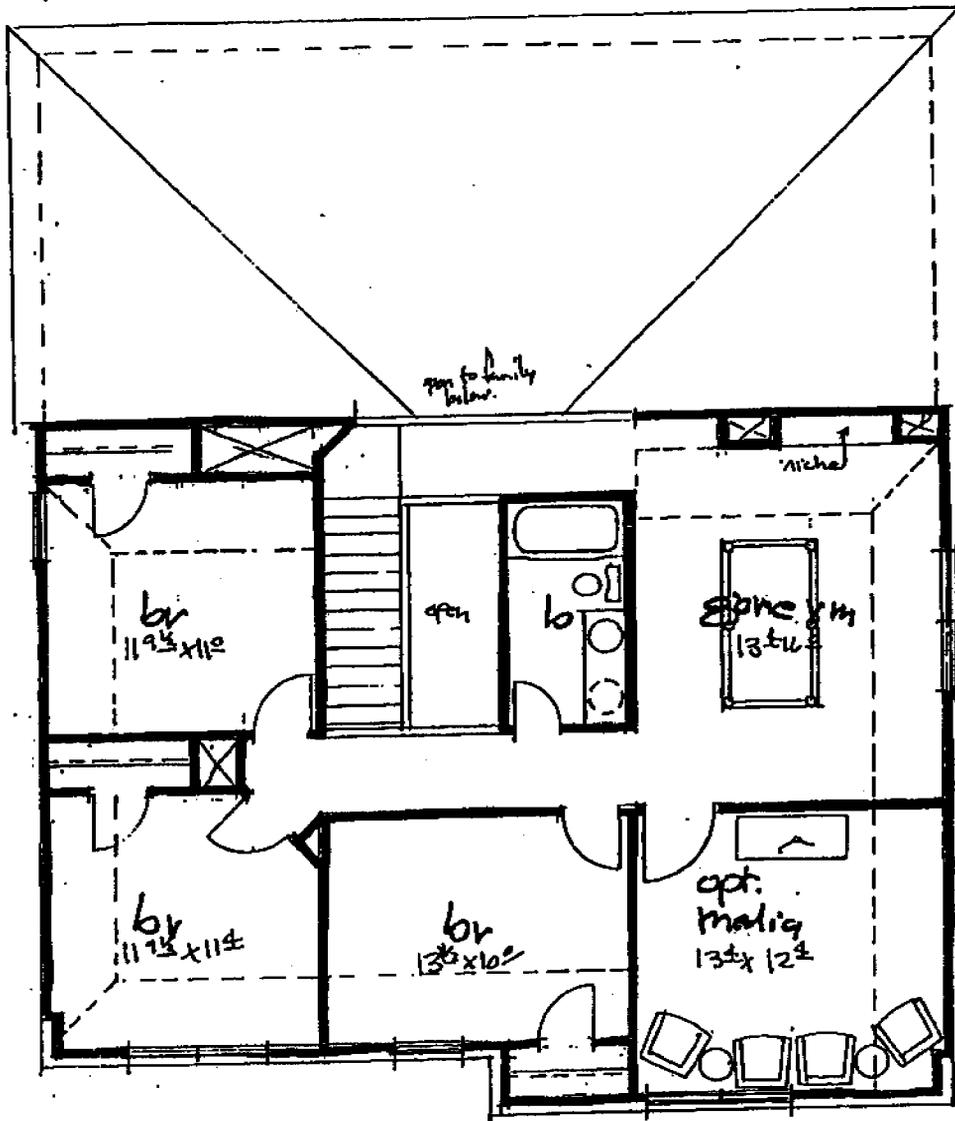
Plan 1516 s.f. liv. w/bkck



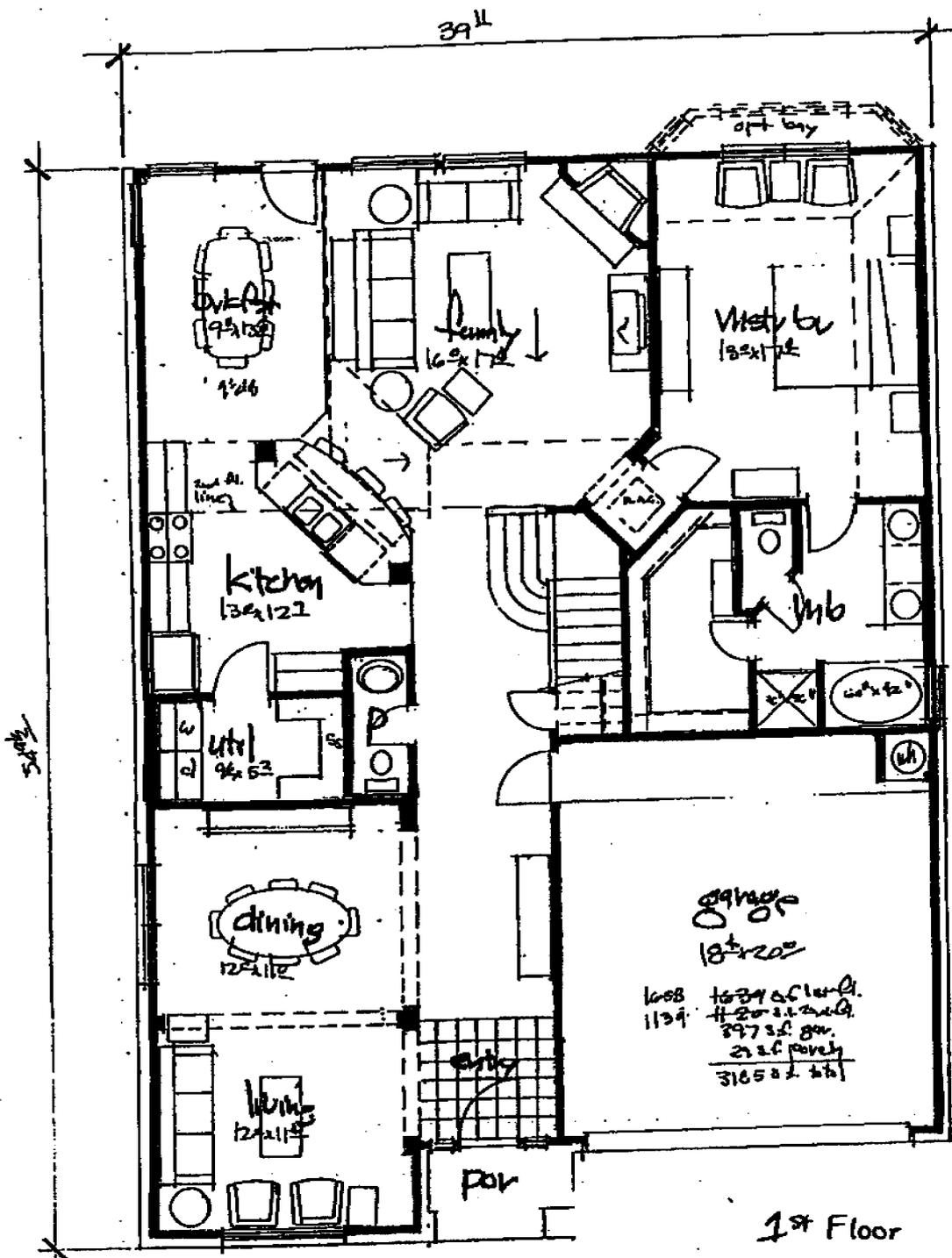
Plan 2555 of liv. w/ back

2nd Floor

Plan 2555

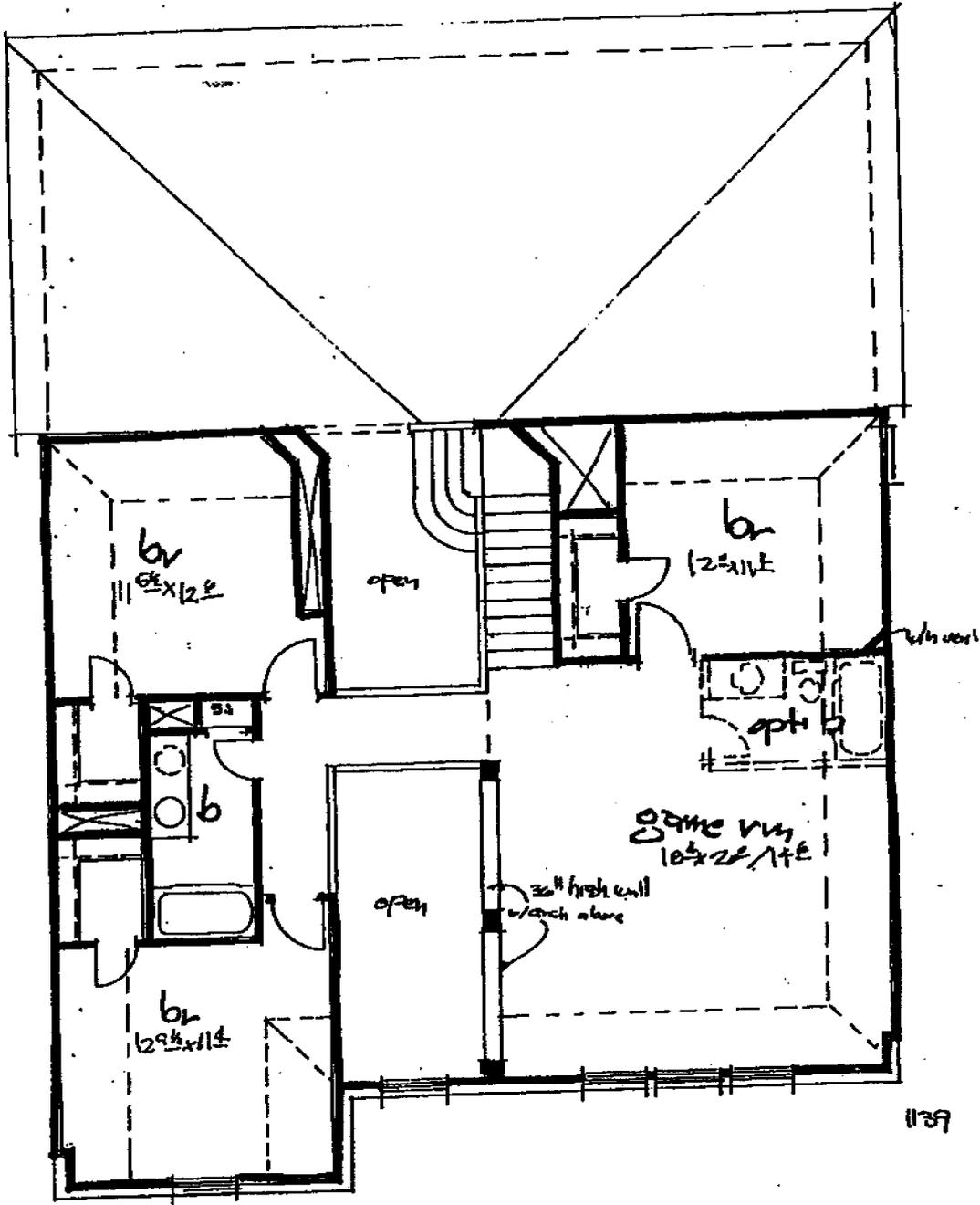


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2797
 Plan 2759 S.D. in w/bk

2nd Floor
2797



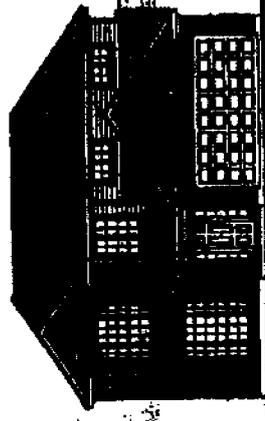
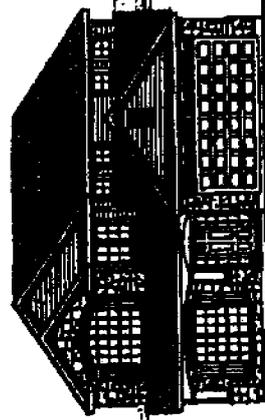
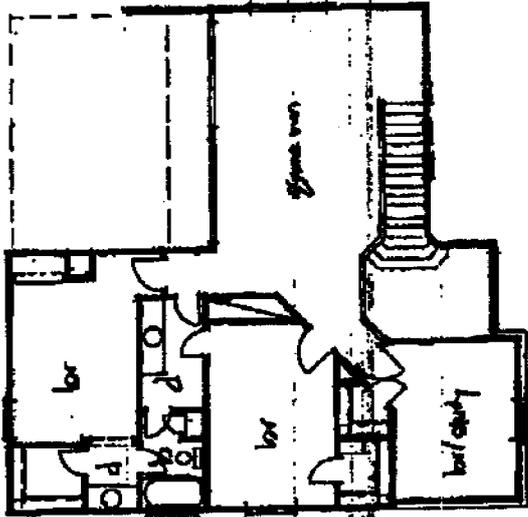
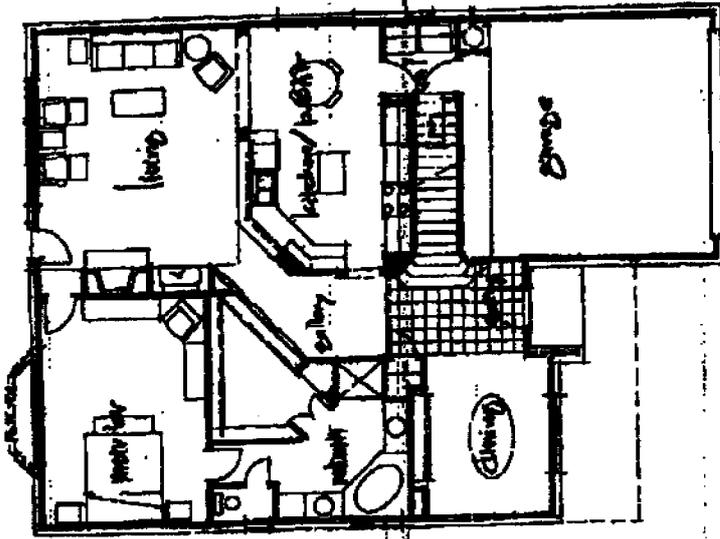
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2#
House
Crown

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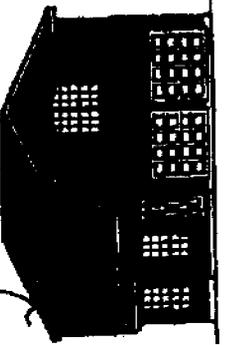
THE premier COLLECTION

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STR									
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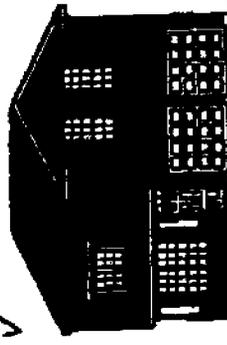
Sketch #2584
 39'-11" x 54'-11"
 2599sq.ft.

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 This is a preliminary architectural drawing and
 does not constitute a contract. Plans, specifications,
 and any other information shall be represented
 in writing.

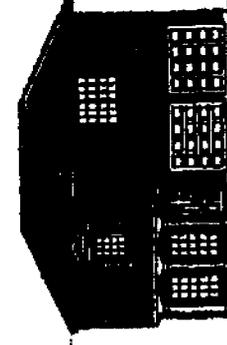
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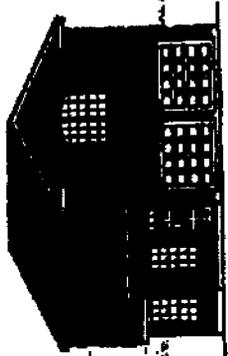
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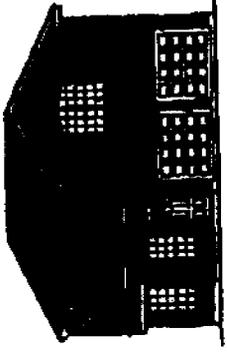
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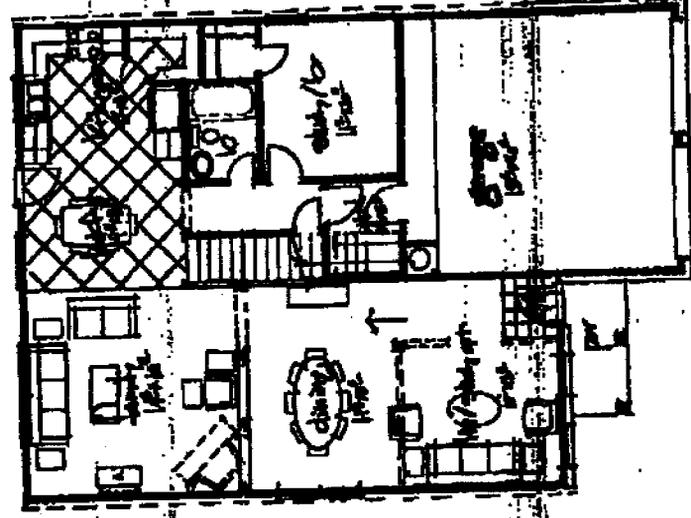
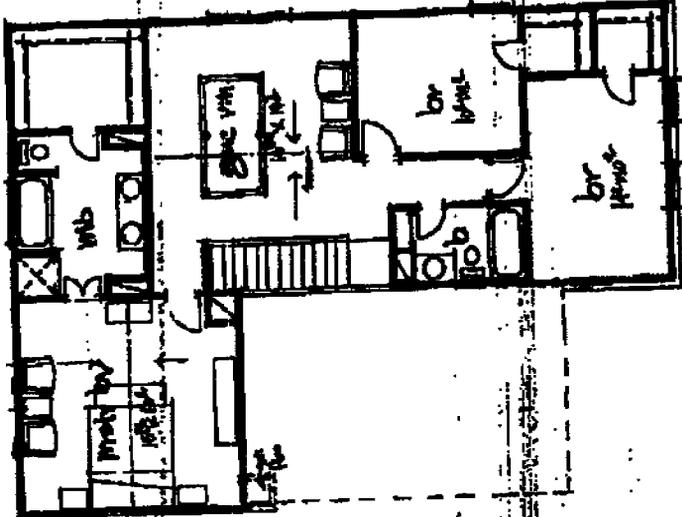
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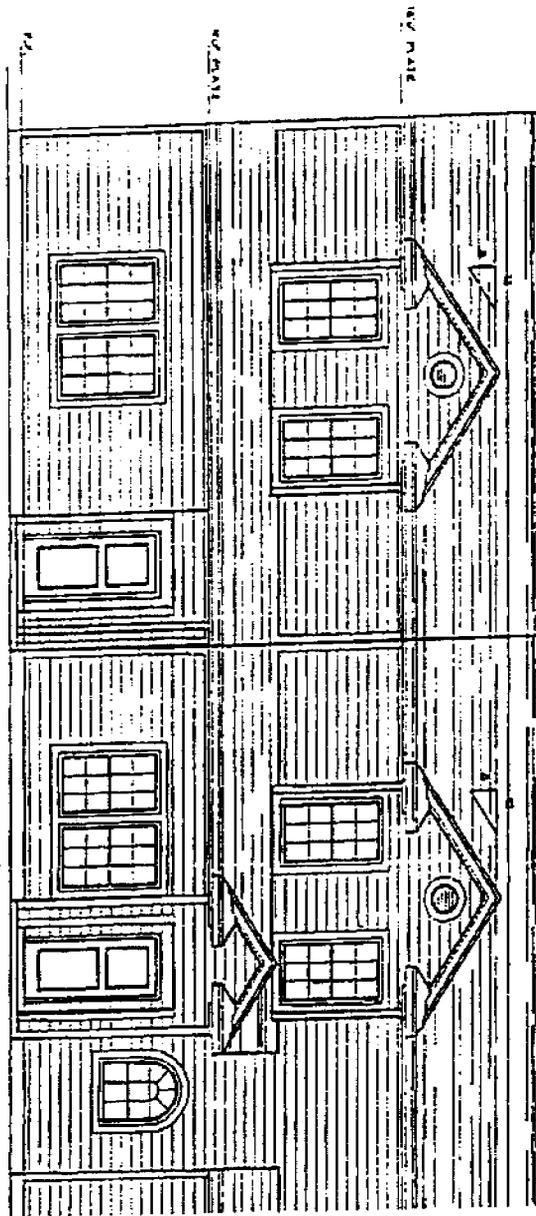


THE premier COLLECTION

	AUS	HOU
	NMK	NMK
	303	103

Sketch #2326
 34'-0" x 49'-2"
 2308sq. ft.

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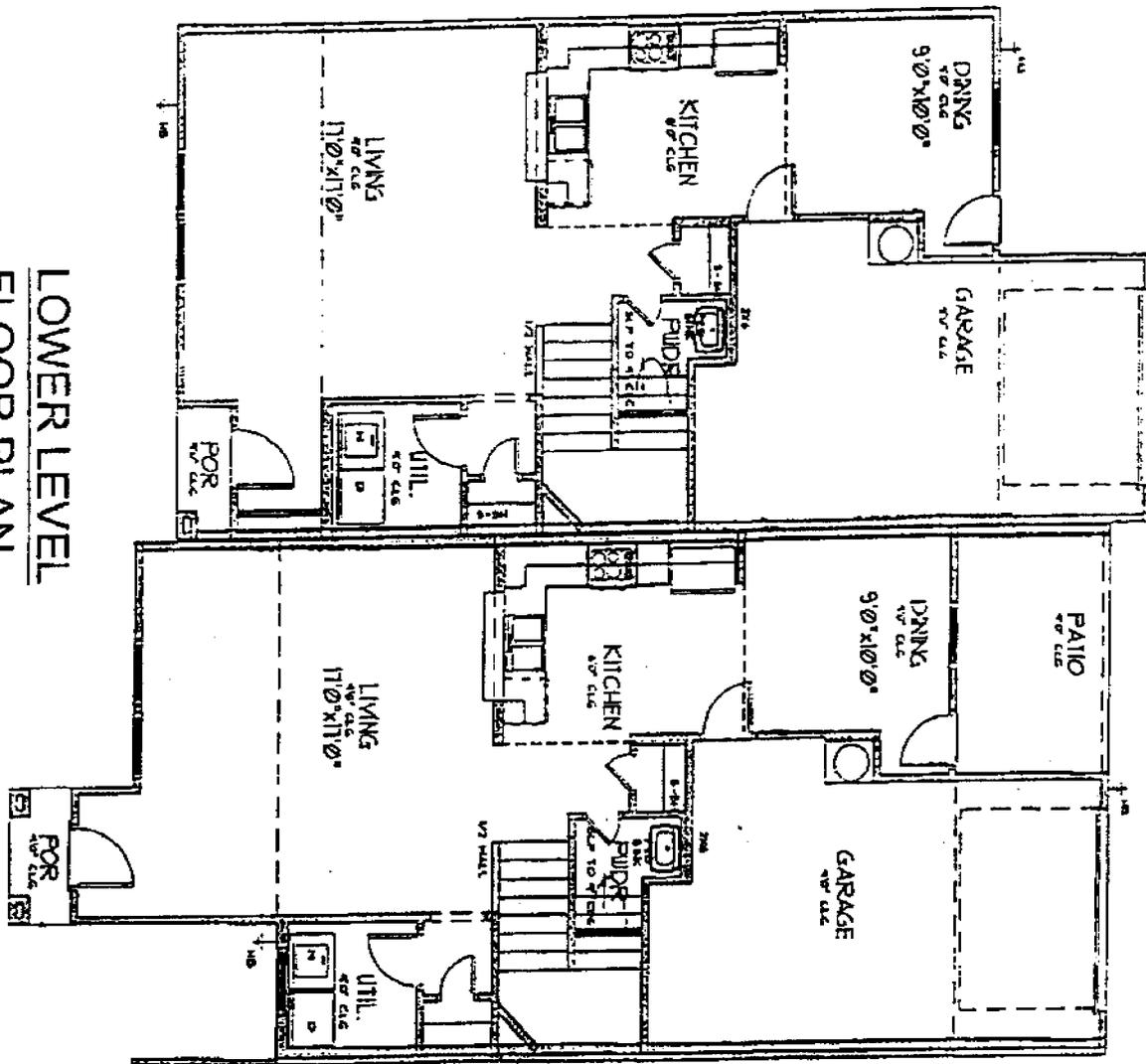
PLAN#03-1475

PLAN#03-1468

COD_HOU 0009362

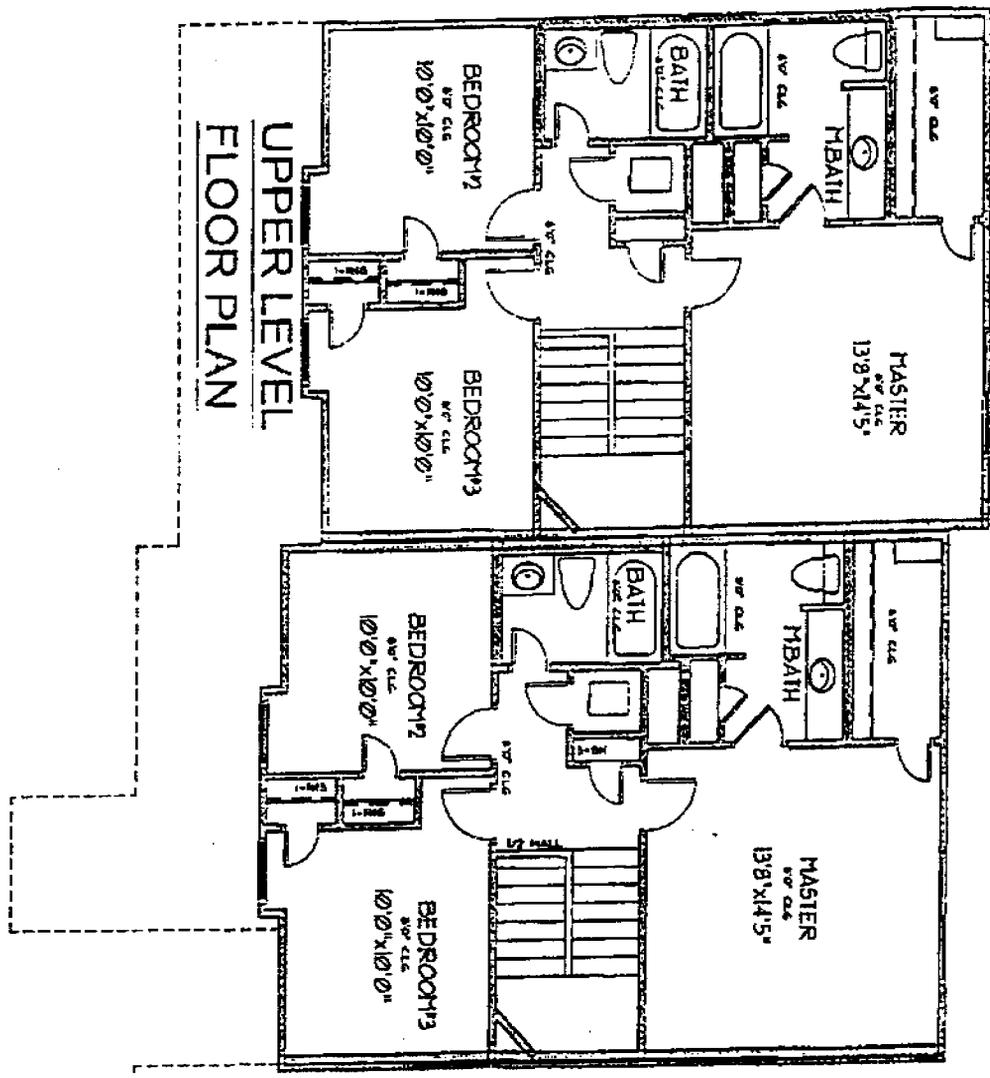
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LOWER LEVEL
FLOOR PLAN
EACH UNIT ~ 1470SF



COD_HOU 0009363

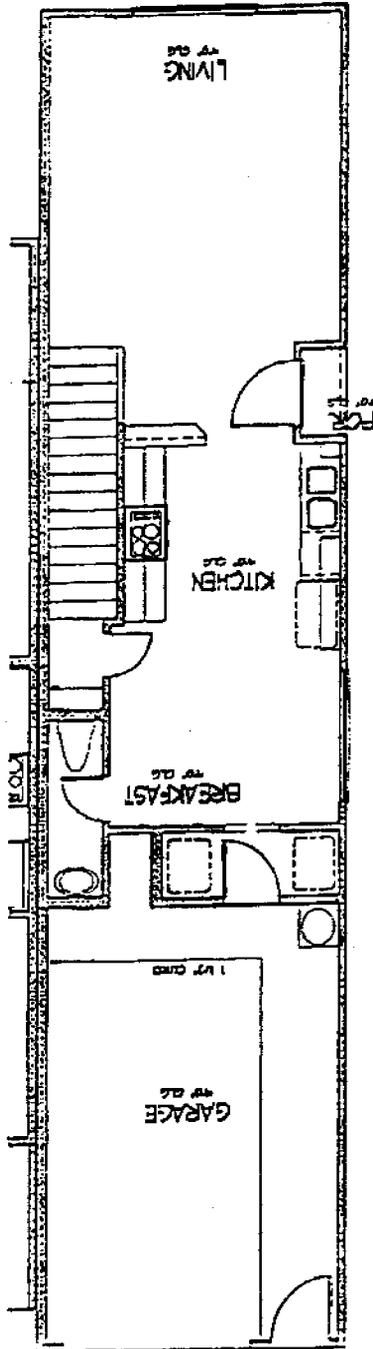
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UPPER LEVEL
FLOOR PLAN

COD_HOU 0009364

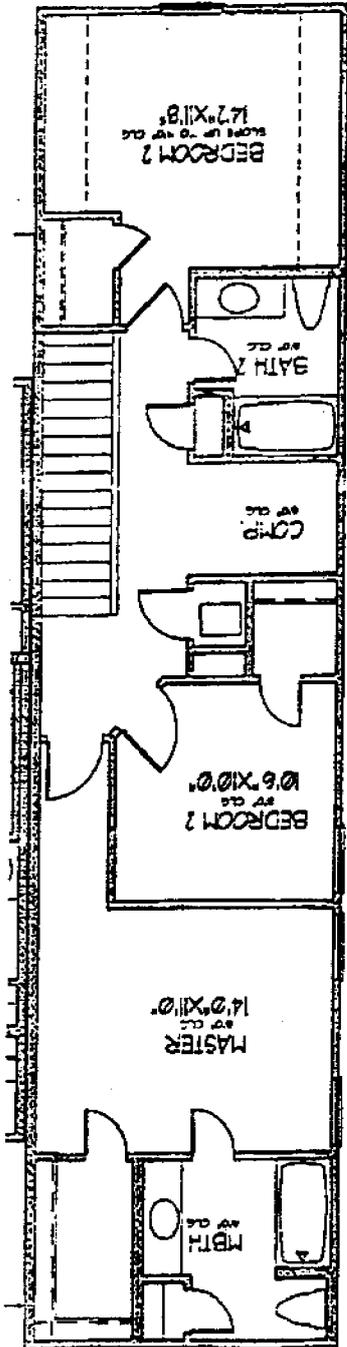
FIRST FLOOR PLAN
SCALE: 1/8" = 1'-0"
1419 SF



COD_HOU 0009365

000058

14195P
SCALE: 1/8" = 1'0"
SECOND FLOOR PLAN



COD_HOU 0009366

000059

PROJECT DATA

Current Zoning: IR – Industrial Research.

Zoning Change Requested: Planned Development District to allow for the improvements consisting of approximately 75 single family lots, 128 townhome lots, and 4 acres of retail/office/commercial with residential optional above the retail/office/commercial space.

PRELIMINARY CONSTRUCTION COST ESTIMATE
KIEST BLVD. LP DALLAS TRACT
November 10, 2004

ITEM	QUAN.	UNIT	UNIT PRICE	ITEM TOTAL	SECTION TOTAL
STREET IMPROVEMENTS					
Clearing	1	L.S.	\$ 15,000.00	\$ 15,000.00	
Excavation	1	L.S.	\$ 80,000.00	\$ 80,000.00	
6" Street Paving	17,300	S.Y.	\$ 22.00	\$ 380,600.00	
Alley Paving	3,600	S.Y.	\$ 23.00	\$ 82,800.00	
Boulevard paving	5,800	S.Y.	\$ 23.00	\$ 133,400.00	
Courtyard Paving	1,750	S.Y.	\$ 27.00	\$ 47,250.00	
TH Lot Grading	130	Each	\$ 175.00	\$ 22,750.00	
Lot Grading	75	Each	\$ 250.00	\$ 18,750.00	
Lime Subgrade	31,000	S.Y.	\$ 1.50	\$ 46,500.00	
Hydrated Lime	500	Tons	\$ 90.00	\$ 45,000.00	
				SUB TOTAL	\$ 872,050.00
WATER & SANITARY SEWER IMPROVEMENTS					
12" PVC Water	0	L.F.	\$ 0.00	\$ -	
8" PVC Water	7,400	L.F.	\$ 17.00	\$ 125,800.00	
12" Valve	0	Each	\$ 1,200.00	\$ -	
8" Valve	24	Each	\$ 1,000.00	\$ 24,000.00	
6" Valve	18	Each	\$ 600.00	\$ 10,800.00	
Fire Hydrant	18	Each	\$ 1,800.00	\$ 32,400.00	
Water Service	205	Each	\$ 360.00	\$ 73,800.00	
Cast Iron Fittings	1	LS	\$ 7,500.00	\$ 7,500.00	
8" Sewer	6,000	L.F.	\$ 17.00	\$ 102,000.00	
Manhole	19	Each	\$ 1,700.00	\$ 32,300.00	
Sewer Service	205	Each	\$ 320.00	\$ 65,600.00	
Tie to Existing Sewer	5	Each	\$ 1,000.00	\$ 5,000.00	
				SUB TOTAL	\$ 479,200.00
DRAINAGE IMPROVEMENTS					
36" RCP	50	L.F.	\$ 70.00	\$ 3,500.00	
33" RCP	150	L.F.	\$ 60.00	\$ 9,000.00	
30" RCP	150	L.F.	\$ 55.00	\$ 8,250.00	
27" RCP	600	L.F.	\$ 45.00	\$ 27,000.00	
24" RCP	150	L.F.	\$ 40.00	\$ 6,000.00	
21" RCP	1,200	L.F.	\$ 35.00	\$ 42,000.00	
18" RCP	500	L.F.	\$ 30.00	\$ 15,000.00	
Inlet	28	Each	\$ 2,500.00	\$ 70,000.00	
Structures	4	Each	\$ 30,000.00	\$ 120,000.00	
Headwalls	5	Each	\$ 2,000.00	\$ 10,000.00	
				SUB TOTAL	\$ 310,750.00
				TOTAL	\$1,662,000.00

PROJECT FINANCIAL DATA

Sources and Uses of Project Funds: Project funds shall come from a development loan from a bank, equity funding from the limited partners, and funding from the City of Dallas Bond Program. These funds will be used for acquiring the property and constructing the development infrastructure.

Monthly Cash Flow and Balance Sheet Projections: See following cash flow and balance sheet detail.

Cedar Crest Square

Dallas, Texas

11/12/04 2:43 PM

file name: Cedar Crest Square - SF Proforma

Month #	1	2	3	4	5	6	7	8	9	10	11	12
Aug-05	Sep-05	Oct-05	Nov-05	Dec-05	Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06	
Revenue:	203	203	203	203	203	203	203	172	172	172	154	154
Lots Available	0	0	0	0	0	0	0	0	0	0	0	0
# Lots Closing	0	0	0	0	0	31	18	0	18	0	0	0
Lots Sales Revenue	0	0	0	0	0	774,500	0	0	454,000	0	0	0
Sales Commission	0	0	0	0	0	-9,300	0	0	-5,400	0	0	0
Closing Costs	0	0	0	0	0	-1,623	0	0	-1,033	0	0	0
Net Revenue	0	0	0	0	0	763,578	0	0	447,568	0	0	0

Expenditures:

Land	1,250,000	0	0	0	0	0	0	0	0	0	0	0
Hard costs	0	380,300	380,300	380,300	380,300	380,300	0	0	0	0	0	0
Hard costs - Construction Mgt	16,917	16,917	16,917	16,917	16,917	16,917	0	0	0	0	0	0
Developers fees	10,000	10,000	10,000	10,000	10,000	10,000	0	0	0	0	0	0
Inspection Fees	28,523	0	0	0	0	28,522	0	0	0	0	0	0
Park Fees	0	0	0	0	0	0	0	0	0	0	0	0
Engineering, Survey, Soils Fees	81,200	24,360	24,360	24,360	24,360	24,360	0	0	0	0	0	0
Easements	0	0	0	0	0	0	0	0	0	0	0	0
Impact Fees	0	0	0	0	0	0	0	0	0	0	0	0
Environmental Study	3,500	0	0	0	0	0	0	0	0	0	0	0
Miscellaneous	0	0	0	0	0	0	0	0	0	0	0	0
Property Taxes	31,250	0	0	0	0	7,333	0	0	4,802	0	0	0
Rollback Taxes	0	0	0	0	0	0	0	0	0	0	0	0
Advertising	5,000	5,000	5,000	5,000	5,000	5,000	0	0	0	0	0	0
Legal & Accounting	500	500	500	500	500	500	500	500	500	500	500	500
General & Administrative	500	500	500	500	500	500	500	500	500	500	500	500
Interest Exp. - Dev. Loan	0	2,734	5,724	8,732	11,759	14,805	13,795	13,887	13,980	11,490	11,568	0
Loan closing costs	59,500	0	0	0	0	0	0	0	0	0	0	0
Contingency	0	38,030	38,030	38,030	38,030	38,030	0	0	0	0	0	0
Total Expenditures	1,486,890	478,341	481,331	484,339	487,366	518,934	26,382	14,795	14,887	12,490	12,568	0
Cash Flow (Deficit) Before Debt	-1,486,890	-478,341	-481,331	-484,339	-487,366	-518,934	737,195	-14,795	-14,887	427,785	-12,490	-12,568

Debt - Development/Acquisition Loan:

Initial Loan Balance	2,975,000	0	437,500	915,841	1,397,171	1,881,510	2,368,876	2,887,809	2,207,190	2,221,985	2,236,872	1,838,383	1,850,873
Draws	437,500	478,341	481,331	484,339	487,366	518,934	0	14,795	14,887	0	12,490	12,568	0
Releases	0	0	0	0	0	-680,620	0	-398,489	0	0	-398,489	0	0
Balance Outstanding	437,500	915,841	1,397,171	1,881,510	2,368,876	2,887,809	2,207,190	2,221,985	2,236,872	1,838,383	1,850,873	1,863,441	0
Cash Flow (Deficit) after Debt	-1,049,390	0	0	0	0	56,575	0	29,297	0	0	0	0	0

Cedar Creek Square

Dallas, Texas

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Month #

Revenue:

	13	14	15	16	17	18	19	20	21	22	23	24
	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07
Lots Available	154	136	136	136	118	118	118	100	100	100	83	83
# Lots Closing	18	0	0	18	0	0	18	0	0	17	0	0
Lots Sales Revenue	454,000	0	0	454,000	0	0	454,000	0	0	424,500	0	0
Sales Commission	-5,400	0	0	-5,400	0	0	-5,400	0	0	-5,100	0	0
Closing Costs	-1,033	0	0	-1,033	0	0	-1,033	0	0	-885	0	0
Net Revenue	447,568	0	0	447,568	0	0	447,568	0	0	418,515	0	0

Expenditures:

Land	0	0	0	0	0	0	0	0	0	0	0	0
Hard costs	0	0	0	0	0	0	0	0	0	0	0	0
Hard costs - Construction Mgt	0	0	0	0	0	0	0	0	0	0	0	0
Developers fees	0	0	0	0	0	0	0	0	0	0	0	0
Inspection Fees	0	0	0	0	0	0	0	0	0	0	0	0
Park Fees	0	0	0	0	0	0	0	0	0	0	0	0
Engineering, Survey, Soils Fees	0	0	0	0	0	0	0	0	0	0	0	0
Easements	0	0	0	0	0	0	0	0	0	0	0	0
Impact Fees	0	0	0	0	0	0	0	0	0	0	0	0
Environmental Study	0	0	0	0	0	0	0	0	0	0	0	0
Miscellaneous	0	0	0	0	0	0	0	0	0	0	0	0
Property Taxes	5,306	0	0	5,810	0	0	6,314	0	0	6,374	0	0
Rollback Taxes	0	0	0	0	0	0	0	0	0	0	0	0
Advertising	0	0	0	0	0	0	0	0	0	0	0	0
Legal & Accounting	500	500	500	500	500	500	500	500	500	500	500	500
General & Administrative	500	500	500	500	500	500	500	500	500	500	500	500
Interest Exp. - Dev. Loan	11,647	9,159	9,222	9,286	6,801	6,850	6,898	4,417	4,451	4,485	2,167	2,186
Loan closing costs	0	0	0	0	0	0	0	0	0	0	0	0
Contingency	0	0	0	0	0	0	0	0	0	0	0	0
Total Expenditures	17,953	10,159	10,222	16,096	7,801	7,850	14,213	5,417	5,451	11,859	3,167	3,186
Cash Flow (Deficit) Before Debt	429,614	-10,159	-10,222	431,472	-7,801	-7,850	433,355	-5,417	-5,451	406,656	-3,167	-3,186

Debt - Development/Acquisition Loan:

Initial Loan Balance	2,975,000	1,863,441	1,465,406	1,475,565	1,088,205	1,096,006	1,103,856	706,728	712,145	717,596	346,669	349,836
Draws	0	10,159	10,222	0	7,801	7,850	0	5,417	5,451	0	3,167	3,186
Releases	-398,035	0	0	-397,582	0	0	-397,128	0	0	-370,926	0	0
Balance Outstanding	1,465,406	1,475,565	1,485,787	1,088,205	1,096,006	1,103,856	706,728	712,145	717,596	346,669	349,836	353,022

Cash Flow (Deficit) after Debt

	31,579	0	0	33,890	0	0	36,226	0	0	35,729	0	0
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Cedar Creek Square
Dallas, Texas

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Month #

Revenue:

	25 Aug-07	26 Aug-07	27 Sep-07	28 Oct-07	29 Nov-07	30 Dec-07	31 Jan-08	32 Feb-08	33 Mar-08	34 Apr-08	35 May-08	36 Jun-08	Project Total
Lots Available	83	66	66	66	49	49	49	32	32	32	16	16	203
# Lots Closing	17	0	0	0	17	0	17	0	0	16	0	16	203
Lots Sales Revenue	424,500	0	0	424,500	0	0	424,500	0	0	402,000	0	402,000	5,092,500
Sales Commission	-5,100	0	0	-5,100	0	0	-5,100	0	0	-4,800	0	-4,800	-80,900
Closing Costs	-885	0	0	-885	0	0	-885	0	0	-885	0	-885	-11,063
Net Revenue	418,515	0	0	418,515	0	0	418,515	0	0	396,315	0	396,315	5,020,538

Expenditures:

Land	0	0	0	0	0	0	0	0	0	0	0	0	1,250,000
Hard costs	0	0	0	0	0	0	0	0	0	0	0	0	1,901,500
Hard costs - Construction Mgt	0	0	0	0	0	0	0	0	0	0	0	0	101,500
Developers fees	0	0	0	0	0	0	0	0	0	0	0	0	60,000
Inspection Fees	0	0	0	0	0	0	0	0	0	0	0	0	57,045
Park Fees	0	0	0	0	0	0	0	0	0	0	0	0	0
Engineering, Survey, Soils Fees	0	0	0	0	0	0	0	0	0	0	0	0	203,000
Easements	0	0	0	0	0	0	0	0	0	0	0	0	0
Impact Fees	0	0	0	0	0	0	0	0	0	0	0	0	0
Environmental Study	0	0	0	0	0	0	0	0	0	0	0	0	3,500
Miscellaneous	0	0	0	0	0	0	0	0	0	0	0	0	0
Property Taxes	6,845	0	0	7,317	0	0	7,788	0	0	7,821	0	8,118	105,079
Rollback Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0
Advertising	0	0	0	0	0	0	0	0	0	0	0	0	30,000
Legal & Accounting	500	500	500	500	500	500	500	500	500	500	500	500	18,000
General & Administrative	500	500	500	500	500	500	500	500	500	500	500	500	18,000
Interest Exp. - Dev. Loan	2,206	0	6	13	0	6	13	0	6	13	0	6	206,362
Loan closing costs	0	0	0	0	0	0	0	0	0	0	0	0	59,500
Contingency	0	0	0	0	0	0	0	0	0	0	0	0	190,150
Total Expenditures	10,051	1,000	1,006	8,330	1,000	1,006	8,801	1,000	1,006	8,834	1,000	9,124	4,203,636
Cash Flow (Deficit) Before Debt	408,464	-1,000	-1,006	410,185	-1,000	-1,006	409,714	-1,000	-1,006	387,481	-1,000	387,191	816,902

Debt - Development/Acquisition Loan:

Initial Loan Balance	2,975,000
Draws	0
Releases	90.0%
Balance Outstanding	0

Cash Flow (Deficit) after Debt

Initial Loan Balance	2,975,000
Draws	0
Releases	90.0%
Balance Outstanding	0
Cash Flow (Deficit) after Debt	55,441

Cedar Crest Square
 Dallas, Texas
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 Month #

file name: Cedar Crest Square - SF Proforma

	1	2	3	4	5	6	7	8	9	10	11	12
Balance Beginning of Period	0	1,206,000	1,212,030	1,218,090	1,224,181	1,230,302	1,236,453	1,186,060	1,191,990	1,197,950	1,174,643	1,180,517
Investment	1,200,000											
Accrual of Interest	6.0%	6,030	6,060	6,090	6,121	6,152	6,182	5,930	5,960	5,990	5,873	5,903
Less: Return off/on investment	0.0%	0	0	0	0	0	56,575	0	0	29,297	0	0
Investment Balance	1,206,000	1,212,030	1,218,090	1,224,181	1,230,302	1,236,453	1,186,060	1,191,990	1,197,950	1,174,643	1,180,517	1,186,419
Participation after return	40.0%	0	0	0	0	0	0	0	0	0	0	0
Total Payments to Investors	0	0	0	0	0	0	56,575	0	0	29,297	0	0

Cash Flow (Deficit) after Equity	1	2	3	4	5	6	7	8	9	10	11	12
Beginning Cash Balance	0	150,610	150,610	150,610	150,610	150,610	150,610	150,610	150,610	150,610	150,610	150,610
Developers Draw	0	0	0	0	0	0	0	0	0	0	0	0
Ending Cash Balance	150,610	150,610	150,610	150,610	150,610	150,610	150,610	150,610	150,610	150,610	150,610	150,610

Cedar Crest Square

Dallas, Texas

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Month #

36 Project Total

	25	26	27	28	29	30	31	32	33	34	35	36 Project Total
Equity:												
Balance Beginning of Period	1,117,737	1,067,885	1,073,224	1,078,590	675,804	679,183	682,578	278,283	279,674	281,073	0	0
Investment												1,200,000
Accrual of interest	5,589	5,339	5,366	5,393	3,379	3,396	3,413	1,391	1,398	1,405	0	0
Less: Return of/on investment	55,441	0	0	408,179	0	0	407,708	0	0	282,478	0	0
Investment Balance	1,067,885	1,073,224	1,078,590	675,804	679,183	682,578	278,283	279,674	281,073	0	0	0
Participation after return	0	0	0	0	0	0	0	0	0	79,443	0	154,476
Total Payments to investors	55,441	0	0	408,179	0	0	407,708	0	0	361,921	0	154,476

Cash Flow (Deficit) after Equity

	25	26	27	28	29	30	31	32	33	34	35	36 Project Total
Beginning Cash Balance	150,610	150,610	150,610	150,610	150,610	150,610	150,610	150,610	150,610	150,610	55,000	55,000
Developers Draw	0	0	0	0	0	0	0	0	0	119,164	0	231,714
Ending Cash Balance	150,610	150,610	150,610	150,610	150,610	150,610	150,610	150,610	150,610	55,000	55,000	55,000

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COD_HOU 0009376

PROJECT FINANCIAL DATA

Pro-forma Operating Statement: See following Pro-Forma Summary and Assumptions sheets following.

**Cedar Crest Square
Dallas, Texas
Pro-Forma Summary**

Land Use Information

Site Area:	37.05 acres
Lot Count:	203 lots
Gross Density:	5.48 lots/acre
Typical Lot Size:	50'x110' s.f.

Development Costs

Land	\$ 1,250,000	
Development Costs:		
Hard Cost	\$ 2,003,000	
Soft Costs:		
Engineering, Survey, Soils Fees	203,000	
Developers fees	60,000	
Interest Exp. - Dev. Loan	206,362	
Bank/Legal	77,500	
Easements	0	
Park Fees	0	
Inspection Fees	57,045	
Property Taxes	105,079	
Other	241,650	
Total Soft Costs	\$ 950,636	
Total Costs		\$ 4,203,636

Development Revenues

Base Sales Price	\$ 5,092,500	
Lot Escalation	\$ -	
Closing Costs	\$ (71,963)	
Net Revenues		\$ 5,020,538

Development Profit

Gross Profit	\$ 816,902
Build Out Period (Development Horizon)	36 mos

Investor Activity

City of Dallas Bond Program	\$ 950,000
Investor Equity Contributions	\$ 250,000
Return of Investment	\$ 250,000
Return on Investment 6.0% annualized return	\$ 24,150
Participation after return 40.0% of cash flow after return off/on	\$ 233,919
Distribution of ending cash reserve 40%	\$ 22,000
Total Cash Flow to Investors (incl. Return of original investment)	\$ 530,070

Cash on Cash Return		112.0%
Annualized Return at 36 mos		37.3%
Annualized Return at 24 mos		56.0%
Annualized Return at 18 mos		74.7%

ASSUMPTIONS/INPUT SHEET:

file name: Cedar Crest Square - SF Proforma

11/12/04 2:43 PM

Development: Cedar Crest Square
 Location: Dallas, Texas
 Site area 37.1 acres
 Number of Lots for sal 203

50'x110' s.f. Typical Lot Size:

Month # 1 of projection assumed to be Mon/Yr
 Beginning of current calendar year Aug-05
Jan-04

DEVELOPMENT COSTS:

Land purchase price	\$1,250,000	
Hard costs	\$1,901,500	expenditures in months 2 through 6
Developers fees	\$ 60,000	spread equally over 6 months
Construction mgt	\$ 500	per lot spread equally over months 1 through 6
Inspection Fees	3%	of Hard Costs half in 1st month and half in month 6
Park Fees	\$ -	per lot paid in 6th month
Engineer/Survey	\$ 203,000	40.0% in 1st month and balance spread equally over mos 2-6
Easements	\$ -	paid in month 1
Environmental Study	\$ 3,500	paid in month 1
Contingency	10%	percentage of Hard Cost expenditures in months 2 through 6
Property Taxes	2.50%	of land cost in month 1 during development period
Property Taxes	0.45%	of sales price prorated for portion of calendar year
Rollback Taxes	\$ -	in month # 1
Advertising	\$ 30,000	spread over 6 month development period
Impact Fees	\$ -	in 5th month
Accounting/Legal	\$ 500	per month until all lots are sold
General & Administrat	\$ 500	per month until all lots are sold
Miscellaneous	\$ -	in month # 3

SALES:

Lot prices:	Price	#Lots
Builder A	\$ 29,500	75
Builder B	\$ 22,500	128
Builder C	\$ -	0
Builder	\$ -	0
		<u>203</u>

Detail is on page 2

FINANCING

Development loan	\$2,975,000	total of development & acquisition loan
% of Land Financed	35%	% of Land purchase price drawn for in 1st month
Interest rate	7.5%	interest only monthly payments
Loan closing costs	2.0%	of maximum loan balance
Release %	90.0%	of net sales proceeds

INVESTOR

Equity	\$1,200,000	(\$950k from City of Dallas Bond and \$150k-\$250k from limited partners)
Investment interest	6.0%	preferred return on investment
Participation until retur	0.0%	of cash flow after debt until investor principal & preferred return is paid
Participation after retu:	40.0%	investor participation after investor interest & principal repaid
NPV Discount	10.0%	

COD_HOU 0009379

DETAIL OF HARD COSTS:

This total of this section pulls into "Hard Costs" amount above

Erosion Control	22,500
Filing Fees	2,500
Soils Report	4,500
Lab Testing	0
Underground Electric	0
Gas	0
Site Excavation	136,500
STORM SEWER	
On Site	310,750
Off Site	0
WATER	
On Site	274,300
Off Site	0
SANITARY SEWER	
On Site	204,900
Off Site	0
PAVING	
On Site	735,550
Off Site	0
Street Lights	15,000
Street Signs	10,000
Entry & landscaping	30,000
Screen wall	20,000
	0
Other Community Cer	135,000
Total Hard Costs	1,901,500

SALES:	Per Lot \$	Esc %	% Closing Costs	Comm. Per Lot	# Sold	#												
						7	8	9	10	11	12	13	14	15	16	17	18	
Lot prices:																		
Builder A	29,500	0%	0.5%	\$ 300	75	11			7			7					7	
Builder B	22,500	0%	0.0%	\$ 300	128	20			11			11					11	
Builder C	0	0%	0.0%	\$ -	0													
Builder	0	0%	0.0%	\$ -	0													
Weight avg price	<u>25,086</u>				<u>203</u>	<u>31</u>	<u>0</u>	<u>0</u>	<u>18</u>	<u>0</u>	<u>0</u>	<u>18</u>	<u>0</u>	<u>0</u>	<u>18</u>	<u>0</u>	<u>18</u>	<u>0</u>

Annual escalation escalation prorated each month

Build Out Period 36 mos



A series of horizontal lines, likely a form or a list, consisting of approximately 15 lines.

COD_HOU 0009381

AFFORDABLE UNITS

_____ >20% of Units Affordable at 80% AMFI

_____ <20% of Units Affordable

_____ 20-50% of Units Affordable

_____ >50% or more Units Affordable

ENERGY EFFICIENT HOMES

 No Homes

 Meets Standard

 Exceeds Standard

COD_HOU 0009384

000077



[Faint, illegible text block consisting of approximately 15 lines of horizontal lines.]

COD_HOU 0009385

CONTRACT OF SALE

THIS AGREEMENT is entered into by and between **BRADY R. BAXTER, TRUSTEE OF THE HONDO TRUST**, (hereafter referred to as the "Seller"), and **KIEST BLVD., LP**, (hereinafter referred to as the "Purchaser"). Within THIRTY (30) days of the Effective Date of this Contract, Seller shall deliver to Purchaser a true and correct copy of the Trust Agreement and all other supporting documentation required by Purchaser to determine the legal capacity of the Seller to convey the Real Property described herein.

ARTICLE 1

Sale and Purchase

Section 1.1 Subject to the terms and provisions hereof, the Seller agrees to sell to the Purchaser, and the Purchaser agrees to purchase from the Seller certain real property in Dallas County, Texas, herein described as being all that certain lot, tract, or parcel of land containing approximately 37.075 acres of land in the Robert Sloan Survey, Abstract No. 1449, City Block 7716, in the City of Dallas, Dallas County, Texas, and being more particularly described on Exhibit "A" attached hereto and made a part hereof for all purposes (hereinafter referred to as "Real Property").

Together with all right, title, and interest of the Seller in and to any and all roads, easements, streets, and ways bounding the Real Property, rights of ingress and egress thereto, and one hundred percent (100%) of the Seller's right, title, and interest in and to all of the oil, gas, and other minerals in, on, or under the Real Property. Upon delivery of a Survey (hereinafter defined) to Purchaser, the legal description of the Real Property shown thereon shall be substituted for the legal description above, and shall describe the Real Property by metes and bounds. The legal description provided by the Survey shall be used in the Warranty Deed and other closing documents to describe the Real Property.

ARTICLE 2

Consideration for Conveyance

Section 2.1 The Purchase Price (herein so called) for the Real Property shall be no more than ONE MILLION TWO HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS (\$1,250,000.00) (herein "Maximum Purchase Price"). The Purchase Price shall be adjusted based upon the results of the Net Acreage (as defined herein) shown on the Survey at a price per Net Acre (as defined herein) of THIRTY-SIX THOUSAND TWO HUNDRED FIFTY AND 00/100 DOLLARS (\$36,250.00), but in no event shall it exceed the Maximum Purchase Price set forth above. As used herein "Net Acreage" means the gross area contained in the Real Property less the following areas in the Real Property which shall not be included: flood plain, drainage easements, and encroachments onto the Real Property. As used herein "Net Acre" means a single or partial acre contained in the Net Acreage.

Section 2.2 The Purchase Price, shall be payable by Purchaser to Seller at Closing (herein so called), in the following manner:

- a. Cash (certified check, bank cashier's check, or wire transfer of immediately available funds, at Purchaser's election).....\$ 120,000.00.
- b. Sum of third-party financing..... \$1,130,000.00.

In the event the Purchase Price is reduced as provided herein, the sums set forth in (a) and (b) above shall be proportionally reduced.

ARTICLE 3

Earnest Money and Financing

Section 3.1 Upon final execution of this Contract by all parties hereto, the Purchaser shall deliver its certified or cashier's check in the amount of NINE THOUAND FIVE HUNDRED AND NO/100 (\$9,500.00) DOLLARS (hereinafter called the "Earnest Money") to the Title Company (hereinafter defined). Said Earnest Money is fully refundable should Purchaser terminate the contract on or before the expiration of the Option Period, as defined below, or as otherwise provided for in this Contract. In the event this Contract is closed, the Earnest Money shall be applied to the Purchase Price at Closing. In the event this Contract is not closed, then the Title Company is hereby directed to disburse the Earnest Money in the manner provided for elsewhere herein. The Title Company, if Purchaser elects, shall be authorized to invest the Earnest Money in such manner as Purchaser may direct, provided, however, the Title Company shall invest the Earnest Money only in such a manner as will allow the Title Company to be in a position to disburse the Earnest Money as herein provided upon TEN (10) days notice. Interest earned on Earnest Money shall accrue to the benefit of Purchaser.

Section 3.2 At closing, the balance of the purchase price shall be payable as follows:

Third-party financing of the principal sum of not more than \$1,130,000.00, over a term of not less than fifteen (15) years, and at an annual rate of interest not to exceed nine percent (9.0%). In the event that Purchaser is unable to procure third-party financing upon terms which are equal to or better than set forth above within ninety (90) days of the Effective Date of this Contract, Purchaser may terminate this contract and receive a refund of the earnest money. Thereafter, each party shall have no further liability one to the other under this contract, except as set forth in Sections 5.1 and 7.3 of this contract

ARTICLE 4

Survey, Title Policy, and Closing Costs

Section 4.1 On or before the expiration of NINETY (90) days following the Effective Date of this Contract, as defined herein, the Seller shall have prepared, at the Seller's sole cost and expense, a Land Title Survey (the "Survey") of the Real Property by a certified, registered or licensed professional land surveyor, and shall deliver a true, complete, and certified copy of such to the Purchaser. A copy of such Survey shall also be furnished to the Title Company. The cost of such survey shall be born by the Seller.

Section 4.2 Within THIRTY (30) days following the Effective Date of this Contract, the Seller at Seller's expense shall furnish the Purchaser with a current commitment (hereinafter called the "Title Commitment") for the issuance of an Owner's Policy of Title Insurance from Hexter-Fair Title Company (herein called the "Title Company"), together with legible copies of all documents constituting exceptions to Seller's title as reflected in the Title Commitment. Said policy, if required, shall insure the Purchaser against defects in title to the Real Property, subject only to the promulgated exclusions and the following exceptions:

- 1) The standard printed exception as to taxes for the current and subsequent years and subsequent assessments for prior years due to changes in land usage or ownership.
- 2) Liens created or assumed as part of any financing described in Section 2.2(b).
- 3) The standard printed exception as to shortages in area.
- 4) The standard printed exception as to marital rights.
- 5) The standard printed exception as to waters, tidelands, beaches, streams and related matters.

Purchaser shall have a period of THIRTY (30) days following the receipt of a commitment for title insurance and the survey to review such items and to deliver to Seller or Seller's Agent in writing such objections as Purchaser may have to anything contained or set forth in the Title Commitment or Survey. Any items to which Purchaser does not object within the THIRTY (30) day period shall be deemed to be "Permitted Exceptions" (herein so called). In the event Purchaser timely objects to either the Title Commitment and/or the Survey as hereinabove provided, Seller shall have the right, but not the obligation, for a period of THIRTY (30) days from receipt of Purchaser's objections within which to attempt to cure such objections specified as aforesaid by Purchaser. In the event that Seller fails or refuses to cure any such objections within such THIRTY (30) days period, then, Purchaser may, at its option and sole discretion, by a written notice to Seller or Seller's Agent within FIFTEEN (15) days following the expiration of the THIRTY (30) day period either (a) terminate this Agreement (whereupon the Earnest Money and all Option Fees are hereby directed to be returned to the Purchaser) and the parties hereto shall have no further obligation one to the other hereunder except for the indemnity obligations specified in Section 5.1 and Section 7.3 below, or (b) Purchaser may waive any such defects as aforesaid and the transaction contemplated hereby shall be consummated as provided herein with such uncured objections being deemed additional Permitted Exceptions.

Section 4.3 Purchaser agrees to pay for the following closing costs:

- a. All cost associated with obtaining third-party conventional financing of the Purchase price, if any, as set forth above.
- b. Cost of inspectors, engineers, or other persons used to determine the condition of the Real Property.
- c. One-half of the cost of the escrow fee charged by the Title Company.
- d. Cost of Mortgagee's Policy of Title Insurance, if any.
- e. All costs to obtain, deliver, and record all documents other than those to be recorded below at Seller's expense.
- f. All other expenses directly incurred by Purchaser, including their own attorney's fees if any.

Seller agrees to pay for the following closing costs:

- a. Cost of Owner's Policy of Title Insurance, including the additional premium for the survey/area and boundary deletion.
- b. One-half the cost of the escrow fee charged by the Title Company.
- c. Cost to prepare the General Warranty Deed.
- d. All costs to obtain, deliver, and record releases of all liens to be released at closing.
- e. All costs to obtain, deliver, and record all documents to cure title objections as set forth above.
- f. All costs to obtain and deliver reports or certificates of ad valorem taxes.
- g. All other expenses incurred by Seller, including their own attorney's fees if any.
- h. Any commissions payable hereunder.
- i. All cost of repairs agreed to be paid by the Seller hereunder.
- j. Title Company's inspection fee to delete from the Title Policy the exception for parties in possession.

ARTICLE 5

Option to Purchase

Section 5.1 For and in consideration of the sum of FIVE HUNDRED AND NO/100 (\$500.00) DOLLARS (the "Option Fee"), paid to the Seller by Purchaser in cash or by personal check, and which is separate and independent consideration from the Earnest Money set forth herein, Purchaser shall have through and until the last day of the FOURTH (4th) full month following the month of the Effective Date of this Contract (the "Option Period") within which to review the survey and title commitment, and conduct any and all inspections, engineering, environmental, and economic feasibility studies of the Real Property which Purchaser may, at Purchaser's sole discretion, deem necessary to determine whether or not the Real Property is suitable for Purchaser's intended use and occupancy. Purchaser's agents, representatives, contractors, or designees may enter upon the Real Property, and the Seller shall hereby grant access to

Purchaser, its agents, representatives, contractors, or designees, for the purpose of conducting any inspections, studies or tests, including, but without limitation, environmental studies, soil tests, obtaining topographical information, conducting engineering and economic feasibility studies and for all other similar preliminary work; provided, however, Purchaser shall indemnify and hold harmless the Seller from and against mechanic's liens or claims that may be filed on or asserted against the Real Property by contractors, subcontractors, or materialmen performing such work for Purchaser and from all liabilities, claims, demands, or costs (including reasonable attorneys fees) made by reason of Purchaser's inspections, tests, and investigations. The foregoing indemnity agreement shall survive the closing of the sale contemplated by this Contract and/or the termination of this Contract. In the event that the Seller fails to cooperate with the Purchaser in providing the Purchaser and his representatives with access to the Property, then the Option Period shall be extended by the number of days beginning with the date that the Purchaser initially requested access to the Premises and continuing thereafter, day to day, through the date that the Seller actually grants access.

Section 5.2 In the event Purchaser decides in Purchaser's sole discretion that Purchaser does not desire to purchase the Real Property, then, and in such event, Purchaser shall notify Seller in writing of such fact on or before the expiration of the Option Period. In such event, this Contract shall, *ipso facto*, terminate, whereupon the Earnest Money and interest earned are hereby directed to be immediately returned to the Purchaser by the Title Company, and the parties hereto shall have no further obligations one to the other hereunder, except for the indemnity obligations specified in Section 5.1 and Section 7.3 of this Contract. In the event Purchaser shall fail to so notify Seller as specified above, then Purchaser shall be deemed to have consented to the purchase of the Real Property as otherwise provided herein, and the Option Fee of FIVE HUNDRED AND NO/100 (\$500.00) DOLLARS shall be credited towards the Purchase Price at Closing.

Section 5.3 In the event that the Purchaser desires to extend the above set forth Option Period, he may do so by causing the Title Company to release to Seller prior to the expiration of the Option Period \$1,000.00 of the earnest money, which shall not be refundable to Purchaser, but which shall be credited toward the Purchase Price in the event of Closing. Upon the release, the Earnest Money deposit required herein shall be reduced by the amount released to Seller. In such event, the Option Period shall be extended for an additional three (3) full calendar months. Purchaser may further extend the Option Period for successive three (3) month periods by causing the Title Company to release to Seller additional sums of the earnest money equal to \$1,000.00 for each additional three (3) month period and the Option Period shall be extended and the Earnest Money deposit required hereunder shall be reduced accordingly. All Option Fees paid hereunder shall be credited toward the Purchase Price in the event that this Contract is closed. In no event shall the Option Period extend beyond eight (8) full calendar months from the Effective Date of this Contract.

ARTICLE 6

Closing

Section 6.1 The "Closing Date" or "Date of Closing" or "the Closing" hereunder shall take place at the offices of the Title Company within THIRTY (30) days following the expiration of the Option Period or THIRTY (30) days following the date that the "Governmental Approvals" (as that term is defined in Section 10.04 of this Contract) are obtained. In no event shall the "Closing Date" take place later than nine (9) months from the Effective Date

Section 6.2 At the Closing, Seller shall deliver or cause to be delivered to Purchaser, at Seller's sole cost and expense, each of the following items:

- (a) A general warranty deed duly executed and acknowledged by Seller, and in legal form for recording, conveying good, indefeasible fee simple title in the Real Property to Purchaser, subject only to the Permitted Exceptions;
- (b) Such evidence or documents as may be reasonably required by the Purchaser and the Title Company evidencing the status and capacity of Seller and the authority of the person or persons who are executing the various documents on behalf of the Seller in connection with the sale of the Real Property; and
- (c) A certification in a form to be provided or approved by the Purchaser, signed by the Seller under penalties of perjury, containing the following:
 - (i) The Seller's social security number;
 - (ii) The home address of the Seller (or the business address of the Seller if the Seller is not an individual); and
 - (iii) A statement that the Seller is not a foreign person within the meaning of Sections 1445 and 7701 of the IRC (i.e., the Seller is not a nonresident alien, foreign corporation, foreign partnership, foreign trust, or foreign estate [as those terms are defined in the IRC and Income Tax Regulations]).

In the event that the Seller fails to deliver such Certification at Closing or the Seller delivers such Certification but the Purchaser has actual knowledge that such Certification is false or the Purchaser receives notice that the Certification is false from any agent of the Purchaser or the Seller, the Purchaser shall be entitled to withhold from the Purchase Price a sum equal to ten percent (10%) of the total amount which otherwise would have been realized by the Seller from such sale, which sum will be paid by the Purchaser to the United States Treasury pursuant to the requirements of Section 1445 of the IRC and the regulations promulgated thereunder.

Section 6.3 At the Closing, Purchaser shall deliver to Seller the following items:

- (a) The Purchase Price, in the amount and manner specified in Article 2 of this contract, and

(b) Such evidence or documents as may reasonably be required by the Title Company evidencing the status and capacity of Purchaser and the authority of the person or persons who are executing the various documents on behalf of the Purchaser in connection with the sale of the Real Property.

Section 6.4 At Closing, the following items shall be adjusted or prorated between Seller and Purchaser:

(a) Ad valorem taxes for the Real Property for the current calendar year shall be prorated to the date of Closing. Seller's pro rata portion of such taxes shall be based upon taxes actually assessed for the current calendar year. If, for any reason, ad valorem taxes for the current calendar year have not been assessed on the Real Property, such proration shall be estimated based upon ad valorem taxes for the immediately preceding calendar year, and adjusted when exact amounts are available. All taxes imposed because of a change in use or ownership of the Real Property at or after Closing shall be for the account of Purchaser, including any rollback taxes assessed for prior years tax periods.

(b) Income and expenses pertaining to operation of the Real Property will be prorated as of the Closing Date on an accrual basis and paid at closing as a credit or debit adjustment to the Purchase Price. Invoices that are received after closing for operating expenses incurred on or before the Closing Date and not adjusted at closing will be prorated between the parties as of the Closing Date, and Seller will pay its share within TEN (10) days of notice of Purchaser's invoice.

(c) In the event any adjustments pursuant to this Section 6.4 are, subsequent to Closing, found to be erroneous, then either party hereto who is entitled to additional monies shall invoice the other party for such additional amounts as may be owing, and such amount shall be paid within TEN (10) days from receipt of the invoice.

(d) This Section 6.4 shall survive the closing of this Agreement.

Section 6.5 Possession of the Real Property shall be delivered to Purchaser by Seller on or before the Date of Closing. Seller shall deliver the Real Property to the Purchaser in the same or better physical condition than it existed on the Effective Date of this Contract.

ARTICLE 7

Real Estate Commission

Section 7.1 Seller and Purchaser represent and warrant to each other that they have not dealt with any real estate agents, brokers, or other parties entitled to a commission on the sale of the Real Property in connection with this Contract, and that they have not incurred, nor will they incur, a liability for any real estate commission, broker's fees, or finder's fees in connection

herewith except as specifically provided for herein. Purchaser is not responsible for the payment of commissions or brokerage fees arising from the sale of the Real Property hereunder.

Section 7.2 Purchaser acknowledges that, at the time of execution of this Contract, Seller or Seller's Agent advised Purchaser by this writing that Purchaser should have the abstract covering the Real Property examined by an attorney of Purchaser's own selection or that Purchaser should be furnished with or obtain a policy of title insurance.

Section 7.3 Purchaser and Seller agree to indemnify and hold each other harmless from and against any and all claims, losses, damages, costs, or expenses of any kind or character arising out of or resulting from any agreement, arrangement, or understanding (except as set forth above in Section 7.1) alleged to have been made by Purchaser or Seller or on their behalf with any broker or finder in connection with this Contract or the transaction contemplated hereby. This Article 7 shall survive the closing or earlier termination of this Contract.

ARTICLE 8

Remedies of Default

Section 8.1 In the event that performance of this Contract is tendered by the Seller and the sale is not consummated through default on the part of the Purchaser on the Closing Date or any extension thereof, then the Earnest Money shall be paid to the Seller by the Title Company as liquidated damages for the Purchaser's default, as the Seller's sole and exclusive remedy. Such amount is agreed upon by and between the Seller and the Purchaser as liquidated damages, due to the difficulty and inconvenience of ascertaining and measuring actual damages, and the uncertainty thereof; and no other damages, rights or remedies shall in any case be collectible, enforceable or available to the Seller other than in this Article 8 defined, but the Seller shall accept said cash payment as the Seller's total damages and relief.

Section 8.2 In the event performance of this Contract is tendered by the Purchaser and the sale is not consummated on or before the Closing Date, or any extension thereof, through a default on the part of the Seller, then at the option of Purchaser, the Earnest Money on deposit shall be immediately returned to Purchaser by the Title Company upon notification of Purchaser of such choice, or the Purchaser may enforce specific performance hereunder, or the Purchaser may seek such other and further relief as may be provided at law or in equity.

ARTICLE 9

Miscellaneous

Section 9.1 All notices, demands, or other communications of any type (herein collectively referred to as "Notices") given by the Seller to the Purchaser or by the Purchaser to the Seller, whether required by this Contract or in any way related to the transaction contracted for herein, shall be void and of no effect unless given in accordance with the provisions of this Article 9. All

notices shall be in writing and delivered to the person to whom the notice is directed, either in person or by United States Mail, as a registered or certified item, return receipt requested. Notices delivered by overnight delivery service or facsimile transmission shall be effective when delivered. Notices delivered by mail shall be effective when deposited in a post office or other depository under the care or custody of the United States Postal Service, enclosed in a wrapper with proper postage affixed, addressed, if to the Seller, as follows:

Brudy R. Baxter
11615 Forest Central Dr., Suite 209
Dallas, Texas 75243

and addressed, if to the Purchaser, as follows:

Ronald W. Slovacek
Kiest Blvd., LP
318-A Dallas Drive
Denton, Texas 76205

with copy to:

R. Scott Alagood
Alagood & Cartwright, P.C.
2921 Country Club Road, Suite 104
Denton, Texas 76210
Fax No. (940) 891-0003
e-mail: alagood@dentonlaw.com

Either party hereto may change the address for notice specified above by giving the other party TEN (10) days advance written notice of such change of address.

Section 9.2 For purposes of determining the time for performance of various obligations under this Contract, the "Effective Date of this Contract" shall be the date the Title Company acknowledges the receipt of Purchaser's Earnest Money and a fully executed copy of this agreement, whichever is later. The date set forth by the Title Company of such receipt as shown herein shall be Prima Facie evidence of the "Effective Date of this Contract."

Section 9.3 This Contract may be assigned by the Purchaser. This Contract shall be binding upon and inure to the benefit of the parties hereto, their heirs, executors, administrators, and permitted assigns.

Section 9.4 The obligations of the parties hereto shall be performable in Dallas County, Texas. THIS CONTRACT SHALL BE CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS. Where required for proper interpretation, words in the singular shall include the plural, the masculine gender shall include the neuter and the feminine, and vice versa. The terms "heirs, executors, administrators, and assigns" shall include "successors, legal representatives, and assigns".

Section 9.5 This Contract may not be modified or amended, except by an agreement in writing signed by the Seller and the Purchaser. The parties may waive any of the conditions contained herein or any of the obligations of the other party hereunder, but any such waiver shall be effective only if in writing and signed by the party waiving such conditions or obligations.

Section 9.6 Each person executing this Contract warrants and represents that he is fully authorized to do so.

Section 9.7 Time is of the essence in the performance of this Contract.

Section 9.8 In the event it becomes necessary for either party hereto to file a suit to enforce this Contract or regarding any provisions contained herein, the party prevailing in such action shall be entitled to recover, in addition to all other remedies or damages, reasonable attorneys' fees incurred in such suit. This Section 9.8 shall survive the closing or earlier termination of this Contract.

Section 9.9 The descriptive headings of the several Articles, Sections, and Paragraphs contained in this Contract are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

Section 9.10 This Contract, including the Exhibits hereto and the items to be furnished in accordance herewith, constitutes the entire agreement among the parties and signatories thereto pertaining to the subject matter hereof and supersedes all prior and contemporaneous agreements and understandings of the parties in connection therewith. No representation, warranty, covenant, agreement, or condition not expressed in this Contract shall be binding upon the parties hereto or shall affect or be effective to interpret, change, or restrict the provisions of this Contract, unless made in writing and signed by the Seller and Purchaser.

Section 9.11 Numerous copies of this Contract have been executed by the parties hereto. Each such executed copy shall have the full force and effect of an original executed instrument, or in equity in the enforcement of this agreement.

Section 9.12 The obligations of this contract that cannot be performed before termination of this contract or before closing will survive termination of this contract or closing, and the legal doctrine of merger will not apply to these matters. If there is any conflict between the Closing Documents and this contract, the Closing Documents will control.

ARTICLE X

Special Provisions

Section 10.01 This contract shall not be considered valid and/or enforceable unless signed by the Seller, Purchaser and a representative of the Title Company.

Section 10.02 The parties will keep confidential this contract, this transaction, and all information learned in the course of this transaction, except to the extent disclosure is required by law or court order or to enable third parties to advise or assist Purchaser to investigate the Property or either party to close this transaction. Purchaser and Seller, their agents, employees, representatives, and permitted assigns, shall treat as confidential any and all information obtained by them concerning the acquisition and sale of the Real Estate described herein, as well as contacts and prospects, surveys, title work, contracts, products, techniques, methods, systems, prices, plans, or improvements, and will not during the term of the contract for the acquisition or sale of the real estate, or at any time thereafter, use or disclose such information in whole or in part to any person, firm, partnership, association, corporation, or any other entity for any reason or purpose whatsoever, without the express written consent of the other party, which may be withheld in its sole discretion. The confidential or proprietary information in this context includes but is not limited to all of the above. Each party also agrees to do all things necessary to prevent any of its employees, representatives, and agents from disclosing any such information to third persons including, without limitation, requiring each employee, representative, and agent to sign a copy of this agreement before being authorized to have access to such information.

Purchaser and Seller further agree to use any confidential or proprietary information disclosed to it solely for the purpose of the sale and acquisition of the real estate, and other reasonably related uses. On termination or expiration of the contract to purchase the real estate, each party shall surrender to the other all originals and all copies of such information in its possession. In the event that either party breaches any covenant contained in this agreement, the non-breaching party shall retain all rights and remedies at law or in equity, including the right to initiate an action enjoining the breaching party from continuing any conduct in breach of this agreement. All such remedies on the part of Purchaser and Seller are cumulative, and the enforcement of this agreement by one or more of such remedies shall not preclude the enforcement of this agreement by any other remedy.

Section 10.03 Also included in this sale are the following items: _____

Section 10.04 The Closing of this Contract is being made expressly contingent upon the Purchaser's ability to obtain zoning changes, platting requirements, and other governmental approvals from the City of Dallas, Texas, and other governmental authorities (herein "Governmental Approvals"). Upon Purchaser obtaining the Governmental Approvals, Purchaser will notify Seller of such fact. In the event that Purchaser is unable to obtain all Governmental Approvals, then Purchaser shall notify the Seller of such fact and this Contract shall terminate, the Earnest Money on deposit with the Title Company shall be refunded to Purchaser, and each

party shall have no further obligations one to the other, except for the indemnity obligations in Section 5.1 and Section 7.3 of this Contract.

Section 10.05 NOTICE OF POTENTIAL ANNEXATION; If the property that is the subject of this contract is located outside the limits of a municipality, the property may now or later be included in the extraterritorial jurisdiction of a municipality and may now or later be subject to annexation by the municipality. Each municipality maintains a map that depicts its boundaries and extraterritorial jurisdiction. To determine if the property is located within a municipality's extraterritorial jurisdiction or is likely to be located within a municipality's extraterritorial jurisdiction, contact all municipalities located in the general proximity for further information.

Section 10.06 NOTICE REGARDING POSSIBLE LIABILITY FOR ADDITIONAL TAXES: If for the current ad valorem tax year the taxable value of the land that is the subject of this contract is determined by a special appraisal method that allows for appraisal of the land at less than its market value, the person to whom the land is transferred may not be allowed to qualify the land for that special appraisal in a subsequent tax year and the land may then be appraised at its full market value. In addition, the transfer of the land or a subsequent change in the use of the land may result in the imposition of an additional tax plus interest as a penalty for the transfer or the change in the use of the land. The taxable value of the land and the applicable method of appraisal for the current tax year is public information and may be obtained from the tax appraisal district established for the county in which the land is located.

Section 10.07 NOTICE OF LOCATION OF PIPELINE; Upon the Seller's belief and knowledge as of the date this Contract is being executed, the Seller hereby notifies the Purchaser of the following: The location of any transportation pipeline, including a pipeline for the transportation of natural gas, natural gas liquids, synthetic gas, liquefied petroleum gas, petroleum or a petroleum product, or a hazardous substance, on the property is as follows:

Section 10.08 The rule of construction that ambiguities in a document will be construed against the party who drafted it will not be applied in interpreting this contract. This Contract was equally negotiated by both parties hereto.

Section 10.09 Seller represents to Purchaser that the following are true and correct as of the Effective Date and will be true and correct on the Closing Date.

1. There is no litigation pending or threatened against Seller that might affect the Property or Seller's ability to perform its obligations under this contract.

FOR ANY LATENT DEFECTS AND FROM ANY LIABILITY FOR ENVIRONMENTAL PROBLEMS AFFECTING THE REAL PROPERTY, INCLUDING LIABILITY UNDER THE COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION, AND LIABILITY ACT (CERCLA), THE RESOURCE CONSERVATION AND RECOVERY ACT (RCRA), THE TEXAS SOLID WASTE DISPOSAL ACT, OR THE TEXAS WATER CODE. SELLER INDEMNIFIES, HOLDS HARMLESS, AND RELEASES PURCHASER FROM ANY LIABILITY FOR ENVIRONMENTAL PROBLEMS AFFECTING THE REAL PROPERTY ARISING AS THE RESULT OF PURCHASER'S OWN NEGLIGENCE OR THE NEGLIGENCE OF PURCHASER'S REPRESENTATIVES, SO LONG AS THE ENVIRONMENTAL PROBLEMS AROSE FROM EVENTS PRIOR TO CLOSING. SELLER INDEMNIFIES, HOLDS HARMLESS, AND RELEASES PURCHASER FROM ANY LIABILITY FOR ENVIRONMENTAL PROBLEMS AFFECTING THE PROPERTY ARISING AS THE RESULT OF THEORIES OF PRODUCTS LIABILITY AND STRICT LIABILITY, OR UNDER NEW LAWS OR CHANGES TO EXISTING LAWS ENACTED AFTER THE EFFECTIVE DATE THAT WOULD OTHERWISE IMPOSE ON PURCHASERS IN THIS TYPE OF TRANSACTION NEW LIABILITIES FOR ENVIRONMENTAL PROBLEMS AFFECTING THE REAL PROPERTY.

EXECUTED on this the 11 day of November, 2004.

SELLER:

Brady R. Baxter

Brady R. Baxter, Trustee of the
Hondo Trust

EXECUTED on this the 11 day of November, 2004.

PURCHASER:

KIEST BLVD., LP

R. W. Slovac

By: Ronald W. Slovac, Manager of Kiest
GENERAL, LLC, its Sole General Partner

The Contract, fully executed by both Seller and Purchaser, together with the Purchaser's Earnest Money, has been received by the Title Company this the 16 day of Nov, 2004 (herein "the Effective Date of this Contract").

TITLE COMPANY: HEXTER-FAIR TITLE COMPANY.

By: *Becky Arnold*
Name: Becky Arnold
Its: S.V.

Exhibit "A"

Being a tract of land situated in the Robert Sloan Survey, Abstract No. 1449, Dallas County, Texas, and being a part of City of Dallas Block 7715, and being a part of that 14.12 acre tract of land described in deed to P. P. Baxter as recorded in Volume 8117, Page 1381, Deed Records, Dallas County, Texas (D.B.G.C.R.), and being more particularly described as follows:

BEGINNING at the intersection of the easterly right-of-way line of Kiest Boulevard (100 feet wide) and the northerly right-of-way line of Southerland Avenue (45 feet wide), said easterly line being on a non-tangent curve to the left having a radius of 1870.00 feet and a chord which bears North 92 degrees 21 minutes 11 seconds East, a distance of 889.28 feet;

THENCE northerly, along said East line and said curve to the left, through a central angle of 11 degrees 11 minutes 42 seconds, an arc distance of 891.26 feet to a point for corner;

THENCE North 80 degrees 05 minutes 43 seconds East, departing said easterly line, a distance of 1993.90 feet to a point for corner, said point being on the most westerly line of the Missouri Kansas and Texas Railroad (100 feet wide);

THENCE South 21 degrees 11 minutes 49 seconds East, along said westerly line, a distance of 786.76 feet to a point for corner, said point being in the aforementioned northerly line of Southerland Avenue;

THENCE South 60 degrees 00 minutes 00 seconds West, departing said westerly line along said northerly line, a distance of 2354.41 feet to the POINT OF BEGINNING AND CONTAINING 1,614,993 square feet or 37.075 acres of land, more or less.

A
BBB

COD_HOU 0009401

000094

HP LaserJet 3330

HP LASERJET 3330

Nov-17-2004 5:24PM



Fax Call Report

Job	Date	Time	Type	Identification	Duration	Pages	Result
491	11/17/2004	5:14:55PM	Receive	9402430812	9:46	16	OK

11/17/2004 05:15 9402430812 PAGE 01

KIEST BLVD., LP

Wednesday, November 17, 2004

Stacia Johnson
City of Dallas
City Hall, 6CN
1500 Marilla
Dallas, TX 75201

17 pages Sent Via Fax to: 214-670-7831

Dear Stacia:

Please find attached the contract showing site control of the property.

Andrea and I look forward to working with you on bringing housing opportunities to Dallas.

Sincerely,

Ronald W. Slovacek
Manager of Kiest General, LLC

318A Dallas Drive
Denton/Texas/76205
469-231-2825/Fax: 940-241-0912

CONTRACT OF SALE

THIS AGREEMENT is entered into by and between BRADY R. BAXTER, TRUSTEE OF THE HONDO TRUST, (hereafter referred to as the "Seller"), and KIEST BLVD., LP, (hereinafter referred to as the "Purchaser"). Within THIRTY (30) days of the Effective Date of this Contract, Seller shall deliver to Purchaser a true and correct copy of the Trust Agreement and all other supporting documentation required by Purchaser to determine the legal capacity of the Seller to convey the Real Property described herein.

ARTICLE 1

Sale and Purchase

Section 1.1 Subject to the terms and provisions hereof, the Seller agrees to sell to the Purchaser, and the Purchaser agrees to purchase from the Seller certain real property in Dallas County, Texas, herein described as being all that certain lot, tract, or parcel of land containing

COD_HOU 0009402

000095

MEETS MINIMUM LOTS

_____ >50 Lots

_____ 50-100 Lots

✓ >100 Lots

COD_HOU 0009404

000097

APPLICANT DATA

Type of Business: A state of Texas Limited Partnership

Name and Address of General Partner:

Kiest General, LLC

318A Dallas Drive

Denton, TX 76205

Name and Address of Limited Partners:

Andrea Spencer

13232 Fall Manor Drive

Dallas, Texas 75243

Ronald W. Slovacek

318A Dallas Drive

Denton, Texas 76205

Previous Development History: Kiest Blvd., LP is a newly formed Limited Partnership created and intended to develop the proposed project. The partners involved each have extensive experience in the homebuilding industry. Some of the project that have completed are as follows:

Ronald W. Slovacek

The Villas of Piney Creek: built and completed development of a 36 lot patio home community in Denton Texas. Home square footages ranged from 1300 to 2700 and a price range of \$90k's to \$160k's.

Lakeside Village Phase V: developed a 112 lot community in Rockwall, Texas on a hillside overlooking Lake Ray Hubbard. The home square footages range from 1800 to 3200 and price range of \$160k's to \$300k's. Site had over 75' of elevation drop and required extensive use of retaining walls and thorough site design in order to maximize the view potential for each lot.

Prominence Square: a 187 lot community in Denton, Texas currently under development at 80% completion of first phase. All lots sold to D.R. Horton scheduled to begin construction of homes winter 2004.

Andrea Spencer

Applicant's Background: See attached resume'

Ronald W. Slovacek, CGB

Employment

1986 – 1991 Self Employed Denton, Texas

Carpenter

- Subcontractor for local residential construction companies
- Crew leader

1991-2001 RON-SLO, INC. Denton, Texas

Framing Contractor 1991-2001

- Owner of company
- Framed over 50 homes per year
- Light commercial and multifamily
- Over 100 employees and subcontractors

Home Builder, General Contractor, Developer 1996-present

- Owner of company
- Multifamily and single family
- Land development

Education

1988 – 1991 University of North Texas Denton, Texas

BA/Political Science

- Received E.C. Buell Award in Comparative Politics
- Dean's List

National Association of Home Builders, Home Builders Institute-Certified Graduate Builder

National Association of Home Builders, Home Builders Institute continuing education classes including: Onsite Project Management, Design/Build, Construction Contracts and Law, Customer Service, Estimating, Off-Site Project Management, and Scheduling

National Association of Home Builders, Institute of Residential Marketing training classes including: Certified Sales Professional; Lifestyle Merchandising, Advertising and Promotion Strategies; New Home Sales Management, Strategies, and Training; Marketing Strategies, Plans, and Budgets

Professional memberships

Home Builders Association of Greater Dallas, Board of Directors,
President- Greater Denton Division, Chairman- Retention Committee,
Chairman-Membership Committee, member Executive Committee

Texas Association of Builders, Board of Directors

National Association of Builders

Denton Chamber of Commerce, Development Code Review Task Force

City of Denton, Downtown Task Force

Languages

Spanish

Awards received

Home Builders Association of Greater Dallas-Excellence Awards in
Government Relations-2001

Home Builders Association of Greater Dallas-Achievement Award in
Leadership Development-2001

Andrea L. Spencer

13232 Fall Manor Drive ↗ Dallas, TX 75243

214-641-0905

Andrea L. Spencer has over 8 years experience in Residential Construction, construction management and Land Development & Acquisition. Ms. Spencer is a graduate of OSU-OKC with a BBS, Computer Science in 1995, and Certification in Construction Management & Technology from Northlake Community College and pursuant to receive Certified Master Builder from Dallas Homebuilders Association. With Ms. Spencer extensive knowledge of development and residential construction her strengths are in Marketing and Business Strategy, Financing and Lending, Design/Build and Procurement/Estimating

Ms. Spencer has recently been apart of a start-up homebuilder in 2002 where she created and managed the following area:

- Managed over 30 MIL in financing. Created and managed relationships with major banks.
- Created marketing and five year business plan
- Intense Project management – Sales, Accounting and Construction
- Coordinate, design, creation and installation of all sales Models
- Brand awareness in marketing and advertising
- Design/Created Website for company
- Created/Produced all marketing Collateral for advertisement
- Managed budget of over \$136,000 for HotOn Homes.
- Created and Managed all Banking, Payroll and Tax Prep for 18 months
- Manage Insurance and Subcontractor relations
- Start all new homes from finance, Engineering to City Permit
- Decision making process of Purchase of New properties, over 10 new in 2 years
- Managed all Local, City and State governmental agencies
- Interface with PR firm to ensure local coverage, press release, advertising
- Market research and strategies to ensure key positioning for new land packages

Ms. Spencer was also with KB Home as Marketing Coordinator from 2000 to 2001

- Project management for new start-up communities
- Coordinating, design, creation and installation of all sales displays
- Brand awareness in marketing and advertising
- Manage budget/expenditures
- Set up new communities, permits and relationship with City and Utilities contractors
- Create sales measurements and awards
- Coordinate Co-ops and partnerships relating advertising
- Manage marketing business plan

Ms. Spencer has also worked for major builders in the DFW Metroplex such as Centex Homes as Land Development Coordinator from 1999 to 2000:

- Prepare, maintain reports on Land Under Consideration, Acquisitions
- Maintain reports and prepare budgets with Project status
- Prepare bid tabulations, create database with comparisons and cost estimates
- Contract management (Primavera)
- Liaison land owners and City officials

APPLICANT DATA

Type of Business: A state of Texas Limited Partnership

Name and Address of General Partner:

Kiest General, LLC
318A Dallas Drive
Denton, TX 76205

Name and Address of Limited Partners:

Andrea Spencer
13232 Fall Manor Drive
Dallas, Texas 75243

Ronald W. Slovacek
318A Dallas Drive
Denton, Texas 76205

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COD_HOU 0009414

000107

Professional memberships

Home Builders Association of Greater Dallas, Board of Directors,
President- Greater Denton Division, Chairman- Retention Committee,
Chairman-Membership Committee, member Executive Committee

Texas Association of Builders, Board of Directors

National Association of Builders

Denton Chamber of Commerce, Development Code Review Task Force

City of Denton, Downtown Task Force

Languages

Spanish

Awards received

**Home Builders Association of Greater Dallas-Excellence Awards in
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**Home Builders Association of Greater Dallas-Achievement Award in
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Andrea L. Spencer

13232 Fall Manor Drive ✶ Dallas, TX 75243

214-641-0905

Andrea L. Spencer has over 8 years experience in Residential Construction, construction management and Land Development & Acquisition. Ms. Spencer is a graduate of OSU-OKC with a BBS, Computer Science in 1995, and Certification in Construction Management & Technology from Northlake Community College and pursuant to receive Certified Master Builder from Dallas Homebuilders Association. With Ms. Spencer extensive knowledge of development and residential construction her strengths are in Marketing and Business Strategy, Financing and Lending, Design/Build and Procurement/Estimating

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- Prepare bid tabulations, create database with comparisons and cost estimates
- Contract management (Primavera)
- Liaison land owners and City officials

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COD_HOU 0009417

PROJECT FINANCIAL DATA

Detail Equity Investment in Project: Equity in the form of cash to be provided by the limited partners up to \$250,000.00 in the aggregate subject to City of Dallas Bond approval.

Development Schedule Infrastructure Cost Estimates: See following detailed infrastructure cost estimate from Corwin Engineering

CITIZENS PARTICIPATION

Citizens Participation Not Included

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COD_HOU 0009421



November 12, 2004

Mr. Ronald W. Slovacek
Kiest General, LLC
318A Dallas Drive
Denton, TX 76205

RE: Real Estate Acquisition and Development Loan

Dear Ron:

This letter constitutes the terms of the proposed loan that First State Bank (Lender) is willing to offer based on the information provided thus far. This letter does not represent a commitment by the lender. The proposed loan is subject to review of additional information and approval of the appropriate authority by the lender. The proposed terms are as follows:

BORROWER:	Kiest Blvd., L.P.
LOAN AMOUNT:	\$2,975,000.00.
TERM:	18 months.
REPAYMENT:	Interest only for eighteen (18) months. Lots will be released at 100% of net sales proceeds.
RATE:	To Be Determined.
ORIGINATION FEE:	To Be Determined.
GUARANTORS:	To Be Determined.
COLLATERAL:	First Lien Deed of Trust on the subject property located at the corner of Kiest and Southerland in Dallas, Texas.
REQUIREMENTS:	To Be Determined.



Brandon McCleskey, AVP



Date

COD_HOU 0009422

000115

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14

COD_HOU 0009423



Victor Toledo
Vice President
972-232-6020
972-232-6139 (fax)

2711 LBJ Freeway, Suite 600
Dallas, Texas 75234
vtoledo@kbhome.com

November 12, 2004

Mr. Ronald W. Slovacek
Kiest Blvd., LP
13232 Fall Manor Drive
Dallas, Texas 75243

Re: Purchase of 75 single family and 128 townhome lots located at Kiest and Southerland, Dallas, Dallas County, Texas (the "Property")

Dear Ron:

Thanks for considering KB Home for this project. We have had a chance to review the project and are very interested in purchasing developed lots for residential use and provide quality new residential homes to this historically underperforming area near downtown Dallas.

We are prepared to purchase the developed lots on the following terms and conditions:

1. **Price.** \$29,500 per lot for the 50'x100' single family lots and \$22,500 per lot for the 20'x80' townhome lots.
2. **Zoning/Platting.** The purchase is contingent on rezoning and platting the property so that it may be developed into a gated community.
3. **Closing.** Initial Closing, within thirty (30) days after the completion of construction of the lots and final city approval and release for building permits. Initial Closing shall consist of a total of 11 of the 50'x100' lots as well as 20 of the 20'x80' townhome lots.
4. **Takedown Schedule.** Beginning 90 days after the Initial Closing and consisting of 7 of the 50'x100' lots, as well as 11 of the 20'x80' townhome lots.
5. **Earnest Money.** \$1000.00 per lot at contract execution. All earnest money is subject to city approval of final plats and construction plans and sufficient water and wastewater capacity for the property.

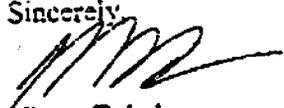
COD_HOU 0009424

000117

6. **Feasibility.** Soils and environmental will be performed within thirty (30) days of the Contract. Due to the historical use of the property, it is obviously very important that a thorough soils and environmental report be prepared. The zoning and platting feasibility will run 180 days from Contract effective date.
7. **Property Taxes.** Prorated at closing. Seller to pay rollbacks (if any).
8. **Survey.** Seller shall provide a current perimeter survey. Within 30 days after the effective date of the contract, Seller shall provide Purchaser with an updated survey of the property.
9. **Title Policy.** Seiler at Hexter - Fair Title Company, Dallas, Texas.
10. **Brokers.** Purchaser shall have no obligation for payment of any real estate commissions arising from this transaction.
11. **Reports.** Within 15 days after the Contract Effective Date, Seller agrees to provide Purchaser with copies of any existing Soil Reports, engineering, proposed or approved construction plans, and Phase I Environmental Reports.
12. **License.** The Earnest Money Contract shall include a license agreement to allow Purchaser, after expiration of the Feasibility Period and prior to the Closing, to erect marketing signs on the Property with an indemnity clause indemnifying Seller against any and all claims resulting therefrom.
13. **Restrictions.** To be agreed upon during the Feasibility Period.

This is a non-binding offer and subject to a mutually acceptable Earnest Money Contract being fully executed by both Parties. Please let us know as soon as possible of your acceptance and we will have a contract prepared for execution by all Parties.

Sincerely,


Victor Toledo
Vice President
KB Home

Agreed and Accepted:

Kiest Blvd., LP

COD_HOU 0009425

000118



November 12, 2004

Mr. Ronald W. Slovacek
Kiest Blvd., LP
13232 Fall Manor Drive
Dallas, Texas 75243

Re: Purchase of 75 single family and 128 townhome lots located at Kiest and Southerland, Dallas, Dallas County, Texas (the "Property")

Dear Ron:

Thanks for considering Trinity Signature Homes for this project. We have had a chance to review the project and are very interested in purchasing developed lots for residential use and provide quality new residential homes to this historically underperforming area near downtown Dallas.

We are prepared to purchase the developed lots on the following terms and conditions:

1. **Price.** \$29,500 per lot for the 50'x100' single family lots and \$22,500 per lot for the 20'x80' townhome lots.
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This is a non-binding offer and subject to a mutually acceptable Earnest Money Contract being fully executed by both Parties. Please let us know as soon as possible of your acceptance and we will have a contract prepared for execution by all Parties.

Sincerely,


Lawrence Jones
Vice President, Land Acquisition

Agreed and Accepted:

Kiest Blvd., LP

COD_HOU 0009427
000120

14

COD_HOU 0009428

000121



Victor Toledo
Vice President
972-232-6020
972-232-6139 (fax)

2711 LB Freeway, Suite 600
Dallas, Texas 75234
vtoledo@kbhome.com

November 12, 2004

Mr. Ronald W. Slovacek
Kiest Blvd., LP
13232 Fall Manor Drive
Dallas, Texas 75243

Re: Purchase of 75 single family and 128 townhome lots located at Kiest and Southerland, Dallas, Dallas County, Texas (the "Property")

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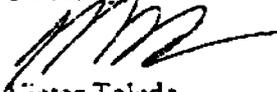
COD_HOU 0009429

000122

6. **Feasibility.** Soils and environmental will be performed within thirty (30) days of the Contract. Due to the historical use of the property, it is obviously very important that a thorough soils and environmental report be prepared. The zoning and platting feasibility will run 180 days from Contract effective date.
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Sincerely,



Victor Toledo
Vice President
KB Home

Agreed and Accepted:

Kiest Blvd., LP

COD_HOU 0009430

000123



November 12, 2004

Mr. Ronald W. Slovacek
Kiest Blvd., LP
13232 Fall Manor Drive
Dallas, Texas 75243

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1520 Deer Creek Drive • DeSoto, Texas 75115
214-922-6907 • FAX 972-692-6992

COD_HOU 0009431

000124

7. **Property Taxes.** Prorated at closing, Seller to pay rollbacks (if any).
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9. **Title Policy.** Seller at Hexter - Fair Title Company, Dallas, Texas.
10. **Brokers.** Purchaser shall have no obligation for payment of any real estate commissions arising from this transaction.
11. **Reports.** Within 15 days after the Contract Effective Date, Seller agrees to provide Purchaser with copies of any existing Soil Reports, engineering, proposed or approved construction plans, and Phase I Environmental Reports.
12. **License.** The Earnest Money Contract shall include a license agreement to allow Purchaser, after expiration of the Feasibility Period and prior to the Closing, to erect marketing signs on the Property with an indemnity clause indemnifying Seller against any and all claims resulting therefrom.
13. **Restrictions.** To be agreed upon during the Feasibility Period.

This is a non-binding offer and subject to a mutually acceptable Earnest Money Contract being fully executed by both Parties. Please let us know as soon as possible of your acceptance and we will have a contract prepared for execution by all Parties.

Sincerely,


Lawrence Jones
Vice President, Land Acquisition

Agreed and Accepted:

Kiest Blvd., LP

COD_HOU 0009432

000125

**SINGLE FAMILY HOUSING INFRASTRUCTURE DEVELOPMENT BOND PROGRAM
REQUEST FOR APPLICATIONS SCORING MATRIX**

Category*	Max. Pts.	Responsiveness	Good	Excellent	Points Given
Feasibility					
1. Project Design (lots & infrastructure)	10	(2)	(5)	(10)	
>Use of Alleys	20	25% (5)	50% (10)	75% and above (20)	
2. Project Design (houses to be constructed)	20	(0) nonresponsive	(10)	(20)	
3. Development Budget	10	(2)	(5)	(10)	
4. Criteria Compliance					
>20% of Units Affordable at 80% AMFI	10	<20% (0) nonresponsive	20-50% (4)	>50% (10)	
>Energy Efficient Homes	25	no homes (0) nonresponsive	meets standards (5)	exceeds standards (25)	
>Site control	0	no contract (0) nonresponsive	under contract - responsive	owns- responsive	
>Meets minimum lots	0	<50 standard- nonresponsive	>50 standard-responsive	N/A	
Successful Dev. of Similar Projects	20	none (0)	0-5 (10)	over 5 (20)	
Organizational Capacity	15	not capable (0)	(10)	(15)	
Borrower Equity	20	none (0)	5% to 10% (15)	over 10% (20)	
Citizen Participation	10	(0)	nrhood involvement (5)	nrhood support (10)	
Acceptable Loan Commitment	20	none (0) nonresponsive	(10)	(20)	
Acceptable Homebuilder Commitments	20	none (0) nonresponsive	(10)	(20)	
Maximum Points	200	NA	NA	NA	

*See glossary attached

** Good meets City of Dallas Bldg Code= 5pts
 A. Excellent Meets Energy Star (15-19% over TX Bldg Code)= 15 pts
 B. Excellent Exceeds Energy Star (20% & over TX Bldg Code)= 25 pts