

houston land bank



BOARD OF DIRECTORS

Regular Meeting

13 August 2020

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Separate Documents:

- IX. Executive Session



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Board of Directors Special Meeting
Thursday, August 13 at 12 noon CST

Note: This meeting will be held by videoconference due to City of Houston Stay Home Work Safe Order, and Governor Abbott's Executive Order regarding Public Meetings during the time of COVID-19. To access and view the meeting online, please go to:

<https://us02web.zoom.us/j/88024993873>

Meeting ID: 880 2499 3873

Or to join by telephone, dial one of the numbers below:

888 788 0099

877 853 5247

Meeting ID: 880 2499 3873

The recording will be posted online after the meeting. Please contact info@houstonlandbank.org or call us at 281-655-4600 with any questions.

AGENDA

- I. Call to Order and Roll Call
- II. Public Speakers

Speakers must be registered in advance by 5 p.m. Wednesday, August 12, 2020. To register, please use our online form at www.houstonlandbank.org/resources, e-mail info@houstonlandbank.org or call us at 281-655-4600. The Chair will call upon speakers and allow three minutes per speaker.
- III. Swearing-In of Mayoral Appointees to the Advisory Board
 - a. Vincent Marquez
 - b. Kellen Zale
- IV. Adopt Minutes of July 29, 2020 Special Meeting
- V. Chairman's Greeting: Matt Zeis
- VI. Committee Reports:
 - a. Finance Committee: Matt Zeis, Chair
 - b. Program Committee: Curtis Lampley, Chair

P.O. Box 131106, Houston, Texas 77219
281.655.4600

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1. Update on Lot Sales
 - c. Oversight Committee: Mario Castillo, Chair
 1. Update on HLB Board Policy Review
- VII. President's Report: Anne Gatling Haynes, CEO/President
- VIII. Board Action Items
- a. Consideration and Possible Action to Elect a Board Treasurer
 - b. Consideration and Possible Action to Confirm Board Treasurer as Finance Committee Chair
 - c. Consideration and Possible Action to Direct Staff to Execute an Agreement with the Center for Community Progress to Provide Technical Assistance Relating to Land Bank best practices, Interlocal Agreements and State Legislation for an Amount Not to Exceed \$56,500
 - d. Consideration and Possible Action to Approve On-Call Contracts for Legal Services with Three Firms for two years with possibility of a year extension, and including FY 2021 Funding as Follows:
 1. Winstead PC & The Law Offices of Graciela Saenz PLLC - \$110,000
 2. Husch Blackwell LLP - \$54,000
 3. MarJuana Bush Williams PLLC - \$47,000
- IX. Executive Session Items (Discussion may occur in executive session as provided by State law, but all Board actions will be taken in public)
- a. Receive Updates from Staff Regarding Potential Property Acquisitions
 - b. Consideration and Possible Action to Approve an Exchange of Real Estate between Houston Land Bank and Houston Habitat for Humanity (0 Fields, HCAD 0862340000053 from HLB to Houston Habitat; 6204 Wedgefield, HCAD 0300180090001 from Houston Habitat to HLB)
 - c. Consideration and Possible Action to Purchase Three Properties Totaling 20,015 Square Feet from Catholic Charities Community Development Corporation for \$200,000
 1. 0 E 41st -- Lot 2 Block 17 Willadale Section 3
 - HCAD ID#: 0620540170002
 - Size: 5,005 Square Feet (SF)
 - Purchase Price: \$50,000
 2. 509 E 41st -- Lots 12 & 13 Block 14 Willadale Section 3
 - HCAD ID#: 0620540140012
 - Size: 10,010 SF



- Purchase Price: \$100,000
- 3. 0 Neyland -- Lot 4 Block 10 Willadale
 - HCAD ID#: 0620530100004
 - Size: 5,000 SF
 - Purchase Price: \$50,000

X. Board Member Comments

XI. Adjournment



**HOUSTON LAND BANK
MINUTES OF THE BOARD OF DIRECTORS SPECIAL MEETING
HOUSTON, TEXAS**

July 29, 2020

A special meeting of the Board of Directors ("Board") of the Houston Land Bank ("HLB"), a Texas non-profit corporation created and organized by the City of Houston as a local government corporation pursuant to the Texas Transportation Code Annotated, Section 431.101, *et seq.*, and the Texas Local Government Code Annotated, Section 394.001 *et seq.*, was held by video conference due to the City of Houston Stay Home Work Safe Order, and Governor Abbott's Executive Order Regarding Public Meetings during the time of the COVID 19 pandemic, in Houston, Texas, on Wednesday, July 29, 2020 at 12:00 p.m. Written notice of the special meeting, which included the date, hour, place and agenda for the special meeting, was posted in accordance with the Texas Open Meetings Act.

Board members in attendance were:

Matt Zeis	Mario Castillo
David Collins	Curtis Lampley
Antoinette Jackson	Jesus DeAnda
Pastor Steve Hall	John David Vasquez
Carol Galloway	Victor A. Mondragón
Laurie Vignaud	

Board members absent were: Courtney Johnson Rose.

Others in attendance included: Anne Haynes, the CEO/President for the Houston Land Bank; Jennifer Allison, Property Operations and Engagement Manager of the Houston Land Bank; David Benson, Director of Organizational Excellence for HLB; Marye Barba, Administrative Assistant for HLB; Greg Erwin and Mark Glanowski (Paralegal) of Winstead PC, outside legal counsel for the HLB; Gonzalo Gonzalez, Director of Finance and Accounting for HLB; Gracie Saenz, Board counsel for HLB; Darice Harris, In-house Counsel and Compliance Officer for HLB; Christa Stoneham, Board Liaison Ex-Officio Board Member; Nicholas J. Foran, appointee to the HLB Advisory Board; Elijah J. Williams, appointee to the HLB Advisory Board; and John Guess III and three other visitors who were not identifiable by their Zoom identity.

I. Call to Order and Roll Call

Chairman Matt Zeis called the special meeting to order at 12:02 p.m. A roll call of the Board members in attendance immediately followed. Chairman Zeis noted that a quorum of the Board was present.

II. Public Speakers

Nothing to report.

III. Adopt Minutes of June 4, 2020 Budget Workshop and June 11, 2020 Regular Meeting

Chairman Zeis noted that the minutes for the Budget Workshop and the regular meeting of the Board of Directors were previously circulated for review and comment. He asked if there were any comments for discussion to such minutes. Chairman Zeis requested that each set of minutes be revised to be executed by the Secretary rather than the President.

Director Castillo made a motion to approve the minutes of the Budget Workshop and the Regular meeting which motion was duly seconded by Director DeAnda and passed with the unanimous vote of the Board.

IV. Chairman's Greeting—Matt Zeis, Chair

Chairman Zeis thanked the Board members in attendance for being available for this special meeting. He then welcomed the new Board members and Advisory Board members to the HLB. Chairman Zeis noted that he has been on the Board since early 2016 and is excited about the direction the HLB is headed. He then mentioned that the strategic planning sessions will be scheduled for late August and early September, but will need to be held virtually for everyone's safety. Chairman Zeis stated that he was excited about the first class of the Advisory Board Committee, which was established under the new by-laws a few years ago but not exercised until now. He also thanked the past Chairman, Nicholas Hall, with whom he worked for the past several years to improve the HLB.

Chairman Zeis then spoke about the passing of Keith Wade in late May from the COVID 19 virus. Mr. Wade was an advisor to two mayors and countless others, including himself and his wife.

V. Swearing in of Mayoral Appointees to Board of Directors and Advisory Board

a. Board of Directors

1. Position One: David L. Collins, Vice Chair

Gracie Saenz conducted the swearing in ceremony for David L. Collins for the office of member of the Board of Directors.

2. Position Two: Victor A. Mondragón

Chairman Zeis introduced Victor A. Mondragón to the Board. Gracie Saenz then conducted the swearing in ceremony for Mr. Mondragón as required by law for his appointment to the Board of Directors.

3. Position Three: Matt Zeis (Chair)

Gracie Saenz conducted the swearing in ceremony for Matt Zeis for the office of member of the Board of Directors.

4. Position Four: Jesus DeAnda

Gracie Saenz conducted the swearing in ceremony for Jesus DeAnda for the office of member of the Board of Directors.

5. Position Five: Laurie Vignaud

Chairman Zeis introduced Laurie Vignaud to the Board. Gracie Saenz then conducted the swearing in ceremony for Ms. Vignaud as required by law for her appointment to the Board of Directors.

b. Non-Voting Advisory Board Members

1. Nicholas J. Foran

Chairman Zeis next introduced Nicholas J. Foran to the Board. Gracie Saenz then conducted the swearing in ceremony for Mr. Foran as required by law for his appointment to the Advisory Board.

2. Elijah J. Williams

Chairman Zeis then introduced Elijah J. Williams to the Board. Gracie Saenz then conducted the swearing in ceremony for Mr. Williams as required by law for his appointment to the Advisory Board.

3. Kellen Zale

Kellen Zale was not in attendance for this meeting nor the swearing in ceremony.

VI. Board Action Items

a. Consideration and Possible Action to Direct Staff to Execute an Agreement with the Center for Community Progress to Provide Technical Assistance Relating to Interlocal Agreements and State Legislation for an Amount Not to Exceed \$56,500.00.

Chairman Zeis informed the Board that this Agenda item is being pulled until such time as more information is provided by the Center for Community Progress for the Board to assess the value of the delivery of draft legislation and support through the legislative process.

b. Consideration and Possible Action to Clarify the Board Vote (6.11.20 VII b) of 6.11.20, and Confirm Adoption of the FY21 Budget, increased by \$57,200 to accommodate VI.c below.

Chairman Zeis requested a motion and a seconding of such motion before discussing this Agenda item. Director Lampley interjected and requested that the Agenda item be discussed prior to the motion being made and that Agenda items VI(b) and VI(c) be discussed at the same time, which was agreed to by Chairman Zeis.

With respect to item VI(c), Director Lampley stated that the motion passed at the June 11, 2020 Board meeting did not include a time frame for the continuation of services for accounting, bookkeeping, and legal ending on December 31, 2020. Chairman Zeis stated that it is not appropriate for the Board to decree which vendors are paid without a competitive bid process in place. Director Jackson stated that it was appropriate and is common in public settings that contracts are extended on a month-to-month which were procured initially.

Ms. Haynes stated that there were two actions that were merged into one action at the June Board vote; therefore, today's items VI(b) and VI(c) are a procedural vote to maintain the budget vote and the request to extend to month-to-month on the existing contractors. She noted that there are current discussions with the vendors for accounting, bookkeeping, and legal and those contracts will be provided to the Board after they have been negotiated.

Ms. Jackson stated that she does not understand why this matter is being re-visited since the June motion was clear as it was written.

Director Lampley stated that the June motion stands as passed by the Board. Director Collins stated that he was agreeable to today's motion to increase the FY21 Budget by \$57,200 to accommodate an increase of the budget during renegotiation of contracts for accounting, bookkeeping, and legal services, which motion was duly seconded by Director Jackson.

Chairman Zeis noted that the Board appears to have reached an agreement with regard to item VI(b) but not VI(c). Director Lampley stated that item VI(c) as written does not match up with the time period of the FY21 Budget because it states "no later than December 31, 2020" and the FY21 Budget ends on June 30, 2021. Chairman Zeis noted that the "month to month" wording was not a part of the motion passed at the June meeting.

Director Jackson explained that the current procurement process for accounting, bookkeeping, and legal services does not interrupt the decision to retain the current contracts for such services until the procurement process is completed. Therefore, the motion for item VI(c) is not necessary since the existing contracts will remain in place until the procurement process is completed by the HLB. The current vendors can submit a proposal under the procurement process even though their existing contracts are on a month to month basis.

Director Vignaud asked if there were any provisions in the existing contracts that it would be understood or perceived that the current contracts would be for another year or until the end of the next fiscal year. She also asked if any notification was required to place the contracts into a month to month basis.

Chairman Zeis reiterated that he would be more comfortable if the Board took action on Agenda item VI(b) to avoid any future liabilities.

Again, Director Lampley stated such a motion is not necessary because the original motion was clear and that staff may have created some concerns with moving through the procurement process for these services without assistance from the Board in that decision making process.

Director Mondragón requested Director Jackson to explain her comment that this revision of the prior motion would taint HLB's current relationship with these contractors. Director Jackson clarified that such a revision would taint HLB's own process with regard to the handling of these contracts and not its relationship with the contractors.

Ms. Haynes then informed the Board that HLB has an open procurement for legal services which includes the current vendors and additional scopes of expertise. She stated that HLB has not prepared a procurement as yet for accounting and bookkeeping services but have been in conversation with them to define the scope for a formal re-contracting process. She also noted that a procurement motion was not included for the June Board meeting. Today's motion was to create more clarity on terms and intent on the month to month on the current vendor contracts and increase the FY21 Budget to account for maintaining the existing contractors at their current level.

Chairman Zeis re-confirmed that the motion before the Board is to approve Agenda item VI(b) and table VI(c). He then requested the vote of the Board on such motion which passed unanimously.

- c. Consideration and Possible Action to Clarify the Board Vote (6.11.20 VII b) of 6.11.20, and to Extend Current Vendor Contracts for Accounting, Bookkeeping and Legal, Month to Month, until Revised Contracts are Established, no later than December 31, 2020.**

The Board voted unanimously to table Agenda item VI(c).

VII. Executive Session Items (Discussion may occur in executive session as provided by State law, but all Board actions will be taken in public)

- a. Consideration and possible action to repurchase five lots totaling 19,840 square feet for the price of \$39,680 from Catholic Charities Community Development Corporation**

- 1. 0 E 39th -- Lot 15, Block 70, Independence Heights Park**

- HCAD 0211350700015
- 4000 square feet (SF)
- Price: \$8,000

- 2. 0 E 37th Lot 19 Block 64 Independence Heights Park**

- HCAD 0211330640019
- 4000 SF
- \$8,000

3. **0 E 40th Lot 8 Block 67 Independence Heights Park**
 - HCAD 0211340670008
 - 3840 SF
 - \$7,680
4. **0 E 39th Lot 12 Block 65 Independence Heights Park**
 - HCAD 0211340650012
 - 4000 SF
 - \$8,000
5. **813 E 37th Lot 24 Block 71 Independence Heights Park**
 - HCAD 0211360710024
 - 4000 SF
 - \$8,000

Chairman Zeis announced at 12:39 p.m. that the special meeting will now move into Executive Session.

Upon returning into the Open Session of the special meeting, Director Lampley made a motion to approve the repurchase of 5 lots from Catholic Charities Community Development Corporation to be placed into HLB's traditional lot program for the price of \$39,680, which motion was duly seconded by Director Castillo and passed by the unanimous vote of the Board.

b. Consideration and Possible Action to Purchase Three Properties Totaling 20,015 Square Feet from Catholic Charities Community Development Corporation for \$200,000.00

1. **0 E 41st -- Lot 2 Block 17 Willadale Section 3**
 - HCAD ID#: 0620540170002
 - Size: 5,005 Square Feet (SF)
 - Purchase Price: \$50,000
2. **509 E 41st -- Lots 12 & 13 Block 14 Willadale Section 3**
 - HCAD ID#: 0620540140012

- Size: 10,010 SF
- Purchase Price: \$100,000

3. 0 Neyland -- Lot 4 Block 10 Willadale

- HCAD ID#: 0620530100004
- Size: 5,000 SF
- Purchase Price: \$50,000

Chairman Zeis announced that the special meeting returned to Open Session at 1:20 p.m.

Chairman Zeis then requested a motion with regard to Agenda item VII(b). Director Jackson made a motion to table this Agenda item until such time an acceptable written commitment from the Houston Housing Department is received, which motion was duly seconded by Director Galloway and passed by the unanimous vote of the Board.

VIII. Board Member Comments

Director Vignaud stated that she was excited to serve on this very productive and meaningful affordable housing initiative.

Director Lampley welcomed all the new Board members aboard.

Director Galloway welcomed all the new Board members and stated that they are in for a good ride.

IX. Adjournment

Chairman Zeis asked if there were any additional matters to be considered by the Board. Hearing none, the regular Board meeting adjourned at 1:24 p.m. upon the motion of Director Lampley and duly seconded by Director Mondragón.

Minutes Prepared By:

Mark Glanowski (Paralegal) of Winstead PC and
Graciela Saenz of Law Offices of Graciela Saenz

Signed on the _____ day of _____, 2020.

Secretary



Houston Land Bank

PROFIT AND LOSS

June 2020

	TOTAL
Income	
Acquisition and Development Agreement	
Acquisition Proceeds	6,949.54
Disposition of Lots	120,850.00
Disposition Proceeds	294,456.81
Total Acquisition and Development Agreement	422,256.35
Administrative Fees	37,500.00
Operations Agreement	354,115.61
Rev.Gain - Repossession of Lots	
Reverted Purchase Lots	1.00
Total Rev.Gain - Repossession of Lots	1.00
Total Income	\$813,872.96
GROSS PROFIT	\$813,872.96
Expenses	
Acquisition Cost - NHDP	11,877.85
Acquisition Costs - HLB	33,155.54
Admin - Other	
Advertising & Marketing	2,024.00
Bank Service Charges	196.17
Company Insurance	
General Liability	7,853.43
Property Insurance	834.02
Total Company Insurance	8,687.45
Computer and Internet Expenses	795.68
Depreciation Expenses	200.09
Dues and Subscription	2,125.65
Filing Fees	147.44
Office Expenses	
Leasing Office Equipment	328.82
Office Supplies	1,413.14
Postage and Delivery	180.50
Total Office Expenses	1,922.46
Rental and Lease Expense	3,925.00
Software Usage	2,999.10
Storage Rental	77.00
Telephone Expense	-839.99



Houston Land Bank

PROFIT AND LOSS

June 2020

	TOTAL
Travel and Lodging Expenses	
Mileage Expense	87.02
Parking	1.25
Travel Expense	-533.80
Total Travel and Lodging Expenses	-445.53
Total Admin - Other	21,814.52
Employee Cost	
Health Insurance	6,610.15
Payroll Services Fee	222.18
Payroll Taxes	5,092.80
Wages and Salary	64,032.30
Total Employee Cost	75,957.43
Legal Fees	11,559.90
Professional Services	
Accounting Fee	11,100.00
Consulting Fee	15,793.50
Contract Work	1,753.50
Total Professional Services	28,647.00
Property Cost - Maintenance	
Property Expenses	
Standard Lawn Mowing	58,759.70
Total Property Expenses	58,759.70
Total Property Cost - Maintenance	58,759.70
Property Cost - Disposition HLB	
Construction of House	4,650.00
Lots COGS	21,256.98
Property Taxes	-35.00
Security and Surveillance Cost	50.00
Total Property Cost - Disposition HLB	25,921.98
Property Cost -Disposition NHDP	
Cleaning and Supplies	2,884.97
Clearing and Lawn Maintenance - NHDP	3,220.00
Closing Cost - NHDP	4,306.00
Land Trust Fee	7,000.00
Legal Fees - NHDP	3,823.70
Lots Sold - NHDP	
Initial Cost of Lot	12,275.00
xImpairment on Lot Sold - (Contra)	-10,322.00
Total Lots Sold - NHDP	1,953.00
Marketing and Showcase	2,527.50



Houston Land Bank

PROFIT AND LOSS

June 2020

	TOTAL
Property Taxes - NHDP	1,411.38
Real Estate Commission - NHDP	20,400.00
Repair and Maintenance	3,317.83
Security and Secure Property Co	3,221.10
Soft Cost of Construction - NHDP	5,300.00
Water and Utilities	7,528.30
Total Property Cost -Disposition NHDP	66,893.78
Total Expenses	\$334,587.70
NET OPERATING INCOME	\$479,285.26
Other Income	
Interest Income	8.28
Total Other Income	\$8.28
NET OTHER INCOME	\$8.28
NET INCOME	\$479,293.54



Houston Land Bank

BALANCE SHEET

As of August 5, 2020

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
Chase-Operations - 8465	743,965.97
Deposits in Transit	0.00
Money Market - Lot Acquisition - 7058	496,589.72
Money Market Unrestricted - 7066	687,219.70
MoneyMarket-Unrstr.C Resev 5577	18,021.70
Petty Cash	12.63
Total Bank Accounts	\$1,945,809.72
Accounts Receivable	
Accts Receivable	1,193,622.02
Pledges Receivables	0.00
Reimbursable Expense Receivable	0.00
Total Accounts Receivable	\$1,193,622.02
Other Current Assets	
Escrow Deposits	18,537.63
Prepaid Expenses	
Prepaid Acquisition Costs	4,200.00
Prepaid Insurance	15,529.65
Prepaid Rent	4,875.00
Prepaid Subscription Services	9,056.40
Total Prepaid Expenses	33,661.05
Refund	0.00
Undeposited Funds	0.00
Total Other Current Assets	\$52,198.68
Total Current Assets	\$3,191,630.42
Fixed Assets	
Equipment	12,005.12
xAccum. Depreciation	-2,925.97
Total Fixed Assets	\$9,079.15
Other Assets	
Earnest Fee	107,500.00
Feasibility Study	0.00
Investments Held For Sale	2,226,546.03
Security Deposit	4,875.00
Total Other Assets	\$2,338,921.03
TOTAL ASSETS	\$5,539,630.60



Houston Land Bank

BALANCE SHEET

As of August 5, 2020

	TOTAL
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	26,497.97
Total Accounts Payable	\$26,497.97
Credit Cards	
Chase Credit Card	5,995.35
Total Credit Cards	\$5,995.35
Other Current Liabilities	
Advanced Payment Rental Income	0.00
Due to Tax Assessor	4,195.53
Liabilities Due to HCDD	607,561.74
Liabilities due to HCLT	0.00
Option Fee	75.00
Payroll Liability	0.00
Total Other Current Liabilities	\$611,832.27
Total Current Liabilities	\$644,325.59
Total Liabilities	\$644,325.59
Equity	
Opening Bal Equity	0.00
Retained Earnings	0.00
Unrestrict (retained earnings)	4,361,506.51
Net Income	533,798.50
Total Equity	\$4,895,305.01
TOTAL LIABILITIES AND EQUITY	\$5,539,630.60



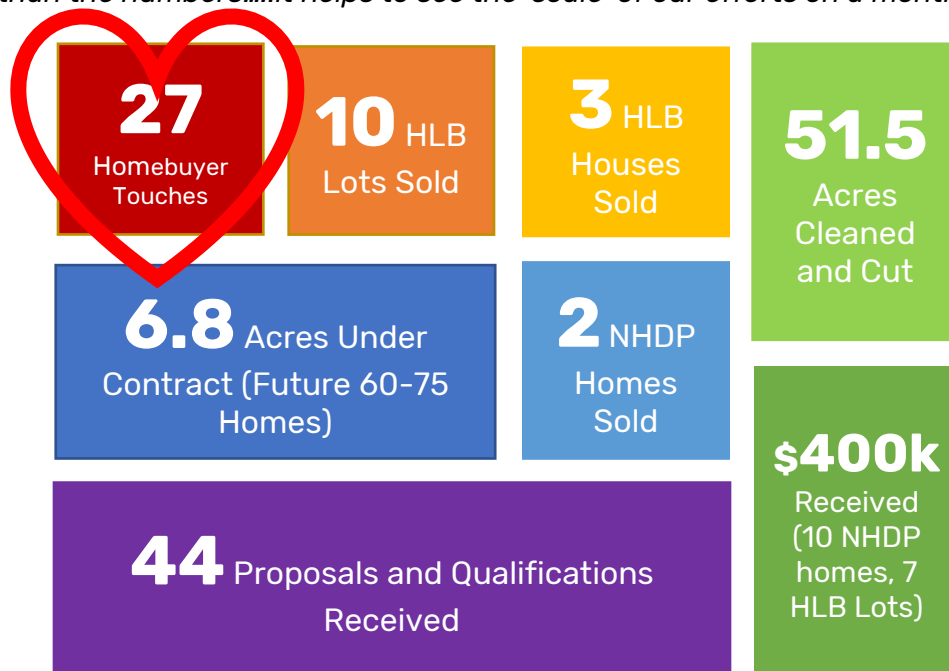
PRESIDENTS REPORT

13 August 2020

General Activities/Announcements

- **Board Strategic Planning** will be taking place over the next few months—please start thinking about your ideas for the organization, and goals for the next few years. The effort will kick off with surveys and interviews in the next few weeks, and we will be holding two virtual sessions and time for a Citywide tour in September. Facilitator Rhetta Dietrich has worked with other non-profits such as LISC and Buffalo Bayou Partnership and is highly recommended.
- **Policy & Procedure working group** has been hard at work every Friday going through the document to refine it for final board review in the next month.
- Staff has been participating in virtual Complete Community virtual community meetings in the 5 new neighborhoods, and continues to look for ways to align our work with that of the neighborhood’s goals. **Houston Land Bank is a key agency named in the Housing goals section in many of the documents, specifically Sunnyside, Kashmere Gardens, and Magnolia.**
- A brief **New Board Member Orientation occurred on August 4** for some of the new members of the Board of Directors, and a [press release](#) went out to signify the Board transition, as well as a special thanks to Nick Hall for his vision, dedicated service and accomplishments as Board Chair. The link for Press releases is here: <https://houstonlandbank.org/news-and-announcements/>
- Please follow us on Facebook, Linked In and Twitter @HTXlandbank

July “pilot” Dashboard: *Although the stories behind these numbers are more important than the numbers.....it helps to see the ‘scale’ of our efforts on a monthly basis*



Operations & Finance

- Procurements:
 - Two solicitations are presently posted on the HLB website, although they have just closed. Both have been advertised in the Houston Business Journal and promoted via the City of Houston’s Office of Business Opportunity weekly e-blast:
 - The Planning and Market Analysis Services RFQ and Settegast Planning RFP (issued as a two-step process in one solicitation document) closed July 15. Staff is presently reviewing and scoring responses to the solicitation(s) before qualified responders are presented to the Board for consideration. The intent is to identify a pool of qualified firms for planning and market analysis, and then to select from that pool one or more respondents to the RFP for the planning work related to potential development in Settegast.
 - The Title Company Services RFQ closed July 24. This procurement is intended to culminate in identification of three highly qualified providers of title company services, introducing additional market competition into HLB’s vendor pool and increasing capacity and capability.
 - We expect to post an RFQ for real estate brokers’ services later this month.
 - Upcoming are the RFQ for Marketing and Communication Strategy Services, and the annual RFQ for Builders for our Traditional Building Program.

- Finance:
 - **Fiscal Year 2020 Audit is underway** with Doeren Mayhew.
 - All invoicing for NHDP Dispositions, A&D Reimbursement and Operational Invoices for FY2020 are completed by the end of fiscal year. **We are finally caught up!!**
 - Implementing controls and procedures that are assisting our internal efficiencies.
 - Sales tax project is **complete** with all vendors.
 - We received the \$1m from HCDD to replenish our reserves, as provided for in our new Operations Grant, and are getting regular reimbursements from HCDD.

Legal and Compliance, HLB Lot Disposition Program Management

- **Closed on 10 lots** of the 13 initial lot sales approved on 6.11.20
- **Facilitating the refinement of the income qualification process with HCDD** .



- Developed 'affordability check' methodology to help refine our understanding of various price points that builders are submitting.
- **Leading the effort to review Round 2 Lot Sales.** 26 proposals received for 17 lots from 8 builders. Revised the builder reporting worksheet and working with Inventory Manager on the process for reporting.
- Facilitating and bringing on a legal intern from TSU this fall to help support the organization.
- Finalized reconciliation with HCDD on designated lots.
- Supporting Policies and Procedures revisions, managed RFQ for Legal Services process, and leading RFQ for Title companies process, and facilitated all required documentation and transaction related processes for house closings from the HLB builder program, lot encroachments, and easement requests.

HLB Inventory & Builders under Development

- As of June 5, 2020 (final numbers +/- 5 per week due to ongoing property review around outstanding contracts, as well as any other reconciliation):
 - 544 Properties in Inventory**
 - 222 Holding for Housing**
 - Includes property under development for NHDP, Acres Homes, as well as those holding in Settegast, Fifth Ward, Sunnyside
 - 20 held for CHDO program, advancing to sale per prior board approval
 - Includes additional properties that are 6 acquisitions, but split across numerous HCADs
- Current Monthly Talley of HLB Home Building Initiative- sale development activity (based on prior lot disposition contracts):
 - **59 Homes sold in 2019**
 - **18 Homes sold to date in 2020**, with 3 in July.
 - **53 are under development.** These are all still from prior lot contracts
 - 15 lots are in permitting/replatting
 - 28 in active construction
 - 6 are in marketing/sale and 4 are expected to close in the next month
 - **7 Lots** (4 Contracts) on Hold Contracts are advancing to closing
- New HLB Home Initiative is in full swing.
 - Round 1 10 of 13 lots are closed! These will be in production shortly.
 - **Round 2 is closed** with 26 applications received for 17 lots. Applications are under review now,
 - **Round 3 is anticipated to be released in Fall.**

HLB Lot & NHDP Property Maintenance

- No Trespassing Affidavits were filed with the City of Houston's Police Department for excessive loitering/illegal dumping on three lots.

- Four lawn maintenance contractors completed their fifth month under new property maintenance schedule, and continue to work with proper protocols for distancing. Each month invoices and photos are reviewed, and spot checks done to review work in the field.
- **Verified 4 properties for Legal/Compliance of the HLB Traditional Program, Addressed 2 citizen concerns, responded to 2 DON violations received .**
- Supported minor repairs on properties, including drywall repair, door hardware replacement and tree removal preparing for NHDP closing.
- Facilitated two NHDP closings, and provided access to properties for inspection/appraisers and repairs.
- Facilitated the towing/removal of 5 vehicles and 2 boats.
- Working to connect with DON to gather data on any change in our performance since we introduced the new maintenance approach, and to identify ways of improving our coordination with the City on lot maintenance

NHDP-Highlights

- NHDP in Acres Homes:
 - Updated listings on website.
 - **30 Houses SOLD** to date
 - **4 under contract** to close in August (1 standard/3 CLT purchase)
 - **5 are listed for Sale** (1 is remaining from Phase 1)
 - **5 Homes will be received by the end of August 2020** and will be listed for pre-sale in the next weeks.
 - This month a new NHDP builder, Excello, broke ground on Phases 5 & 6 of the NHDP. 14 homes will be developed in the next 3-4 months.
 - Phase 8, Burghli Homes is in permitting with another 8.
- Listing Broker: Continue to market and move homes at a steady clip, as well as continue to build the pipeline.

Acquisitions & Development - HLB

- **Under contract to repurchase (at cost) 5 lots from Catholic Charities in Independence Heights**, which is a Board of Director Action this month.
 - Contract for the additional 4 lots or 20k SF is scheduled for 7/23/20 closing.
 - These 2 transactions will give HLB approx. 40k SF footprint in Independence Heights.
 - Pilot program in the works w/ HCDD to allow HLB to be developer of ALL of these lots. The first five would be under HLB standard program, and the new four would be under a 'NHDP 2.0' pilot program. The goal is to demonstrate

HLB's own capacity to quickly acquire & develop small to mid size group of lots at a pace.

- HLB met with and received verbal go ahead from HCDD director to work on program framework and some details.
 - Currently working w/ Anderson Stoute to work out the details of 2 potential options in which HCDD & HLB can more effectively co-develop smaller groups of lots. The location and acquisition point make this group of 9 lots in Independence Heights provide a great opportunity to 'field test' this program.
- **Developing strategies for building inventory that will be discussed at the Strategic Planning retreat;**
 - Targeted community focused efforts including outreach and increased engagement
 - Reviewing surplus and lien properties from related agencies
 - Develop relationships with Portfolio Owners and/or Developers interested in partnering to provide mixed-income neighborhoods
 - Outreach to owners adjacent to our parcel clusters to consider assembly
 - Lease to own existing homes—SWOT analysis, how? What are impediments? What are advantages? Etc.
 - In conjunction with that the option/ability to purchase existing homes for resale—either through tax foreclosure or lender foreclosure.
 - JV development project-- OR how does HLB best fit into the capital stack of a public/private project?
 - What is the purchasing power that HLB & CLT or other programs can offer to a larger master plan development? i.e. tax benefits/carry cost savings, implications of 'affordable housing land lease' encumbrances to lenders, etc.
- **Market Analysis/Planning Scope for Settegast to assess neighborhood needs and real estate development strategy.**
 - RFQ sent out for this project with significant initial interest.
 - Deadline for submissions has been extended until 7/15/20.
 - HLB working w/ local civic groups (Settegast Heights Redevelopment Corp) and area builders (Habitat for Humanity) to develop 'client team' to develop platform for stakeholders to engage consultants once they've been selected and are on board
 - Received 14 Statements of Qualifications
 - HLB Staff committee is reviewing/scoring submittals in order to select a pool of planning & analysis firms
 - Based on final scores HLB Staff committee will select proposals/firms for HLB Board & Planning Committee to review and select for Part B or Settegast RFP

Acquisitions, City of Houston Partnership, NHDP

- All activities are focused for the NHDP program, per the 'Acquisition and Development' Grant Agreement, approved by City Council on August 31, 2018, and Amended on April 1, 2020.
- NHDP acquisition Activity Update
 - 5-10 Neighborhood focus areas, as determined by HCDD.
 - **Over 900 total properties reviewed thus far.**
 - **Received updated 2020 Market Data** to include 12 neighborhoods or areas of Houston, not just our clusters.
 - Progress to date
 - 67,900 SF vacant land contracts closed and ratified by the Board of Directors.
 - 26K SF vacant land under contract with longer timeline (under feasibility period until September 11 with an extension highly likely)
 - **Approximately 10.22 acres of property is being considered for acquisition in various neighborhoods throughout the City.**
 - 6.8 acres in Near Northside is under contract (approx. late Nov or Dec closing).
 - Receiving bids for due diligence work (Appraisal, Environmental) will commence ASAP.
 - 1.77 acres of contiguous land in East End under final negotiation and expected to be under contract soon.





REQUEST FOR BOARD ACTION

Meeting Date: August 13, 2020

Agenda Item VIII. c.: Consideration and Possible Action to Direct Staff to Execute an Agreement with the Center for Community Progress to Provide Technical Assistance Relating to Interlocal Agreements and State Legislation for an Amount Not to Exceed \$56,500.00.

ACTION SUMMARY

Approval of this item will initiate execution of an agreement with the Center for Community Progress for technical assistance related to updating of HLB's interlocal agreements and to development of revised proposed state legislation regarding land banking; HLB's cost is not to exceed \$56,500.

BACKGROUND/OVERVIEW

Following up on the 2019 Texas legislative session in which HLB successfully sought introduction of land banking legislation, this item proposes a new agreement with the Center for Community Progress (CCP) to support efforts to achieve passage in the 2021 session.

As the national organization representing land banks, CCP is uniquely qualified to support HLB's legislative efforts. Thus, no competitive procurement was conducted for these "sole source" services.

Based on a preliminary scope and budget proposed by CCP, HLB would receive up to 150 hours, with 75 hours each estimated for CCP to support development of revised draft legislation (based on the 2019 proposed legislation) and to support HLB through the legislative process after introduction of the revised proposed legislation. Hours may be shifted between the two phases; the first phase also includes the drafting, review and proposal of changes to interlocal agreements between and among HLB and local taxing entities, along with engagement of City of Houston staff in the legislative initiative.

Each phase is budgeted for \$26,250, yielding a total of \$51,500. An additional \$5,000 is budgeted for reimbursable travel expenses by CCP staff.

The Board of Directors were invited to meet with CCP staff on August 4, 2020 to discuss this scope, and all the ways that CCP is able to support the organization.

Should this proposal receive Board approval, HLB staff will work with Board leadership and members of the CCP team to finalize an agreement as described above by the end of August.

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Suite 2C-1
Flint, MI 48502

National Office:
1001 Connecticut Ave. NW
Suite 1235
Washington, DC 20036

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TO: Anne Gatling Haynes
President and CEO, Houston Land Bank

FROM: Matt Kreis
General Counsel, Center for Community Progress

RE: Preliminary Scope and Budget for Legislative Support

DATE: June 30th, 2020

The Center for Community Progress (“Community Progress”) is pleased to submit this preliminary scope of work and budget to the Houston Land Bank (“Land Bank”) to support the development of and provide education to support the passage of state land bank enabling legislation in the 2021 Texas legislative session. The services described herein are intended to build on Community Progress’ previous work assessing the need and making the case for new legislative authority for the Land Bank, drafting and helping to support the legislative process for new state land bank enabling legislation for the Land Bank introduced in the 2019 Texas legislative session, and working with the Land Bank and its partners to explore ways to scale up the production of affordable housing in Houston. The work will be conducted by up to two senior members of or advisors to the Community Progress National Technical Assistance (“NTA”) team and your point of contact will be Matt Kreis, General Counsel. Matt can be reached at mkreis@communityprogress.net.

Community Progress prides itself on its ability to customize its services based on the unique needs and circumstances of its partner communities. A variety of factors, including the political support of the state legislative houses or Governor’s office, may impact the form and substance of potential state land bank enabling legislation in Texas over the course of this engagement. Therefore, this proposal is structured to provide the parties the ability to quickly and easily tailor the services described in this preliminary scope and budget (or to amend the entire agreement) to meet shifting needs and priorities.

About Us

The mission of Community Progress is to foster strong, equitable communities where vacant, abandoned, and deteriorated properties are transformed into assets for neighbors and neighborhoods. Our expertise is in the systems and policies related to vacancy and abandonment — information management systems, code enforcement systems, property tax enforcement and foreclosure systems—and best practices in the field, from prevention to land banking to the strategic reuse of land in support of community needs and priorities, such as green space, economic opportunity, and safe, quality, affordable housing. With a deep commitment to equity and justice, our customized and state-of-the-art technical assistance has been provided by in-house national experts and practitioners in more than 300 communities in over 35 states. Community Progress also has a rich history supporting the development of state land bank enabling legislation in more than a dozen states.

On-call Services and Estimated Hours

This preliminary scope and budget is structured as an on-call engagement subject to a maximum “do not exceed” cap of **150 hours**. Services will be provided based on the Land Bank’s need and the mutual availability and capacity of the parties. The work will be conducted in up to two phases (hours includes as estimates and may reallocated between phases as needed):

Phase #1: Support the Development of Draft Legislation (up to 75 hours)

- Briefly review prior research of existing state and local laws and policies related to land banking in Texas and in Houston.
- Conduct monthly stakeholder check-in calls with key Land Bank and City of Houston staff.
- Review and propose potential changes to local agreements between local taxing bodies related to the Land Bank’s ability to access vacant, including vacant and tax foreclosed, land in Houston (e.g., 2014 Interlocal Agreement for tax foreclosed property).
- Review and propose potential minor changes to the state land bank enabling legislation under consideration in the 2019 Texas legislative session.
- Support and participate in a variety of calls with City of Houston, local, and potentially statewide stakeholders interested in state land bank enabling legislation.
- May include up to one site visit to Houston to meet with City, local, and statewide stakeholders or, depending on public health restrictions on travel or group gatherings, a series of virtual conference calls with such stakeholders (hours would include travel time).

Phase #2: Support Legislative Process After Legislation Introduced (up to 75 hours)

- Conduct conference or video calls to educate local and statewide stakeholders on the purpose and effect of the legislation.
- Prepare testimony for legislative committees.
- Consult on the impact of potential amendments.
- May include up to one site visit to Houston to meet with City, local, and statewide stakeholders or, depending on public health restrictions on travel or group gatherings, a series of virtual conference calls with such stakeholders (hours would include travel time).

The services described above contemplate a scenario where the state land bank enabling legislation eventually introduced in the 2021 Texas legislative session is similar to the legislation contemplated by the Texas legislature in 2019. Should the Land Bank wish for Community Progress to do more extensive work redrafting a bill bracketed for Houston or drafting a new statewide land bank enabling bill for cities across the state of Texas, this preliminary scope and budget will require significant amendments.

Either party may terminate this agreement at any time with 30-days written notice to the other.

Timeframe

The engagement will begin on **July 13, 2020**, and conclude on **May 31, 2021**, which is the final day of the 2021 Texas legislative session.

Estimated Budget

The hourly rate of members of the NTA senior team is **\$250 to \$350 per hour**. The number of hours indicated below are included as estimates and unused hours may be allocated between tasks as needed.

Phase #1	Up to 75 hours x \$350/hour	Up to \$26,250
Phase #2	Up to 75 hours x \$350/hour	Up to \$26,250
Travel Expenses	Up to \$1,250/per person Up to 2 staff per trip Up to 2 trips	Up to \$5,000**
TOTAL		Up to \$56,500

*** Community Progress will seek reimbursement only for those expenses actually incurred and will provide receipts for all expenses.*

Community Progress will bill the Land Bank for services completed and expenses actually incurred in up to four installments. Payment of each invoice is due within 30 days of receipt of invoice reflecting hours worked and expenses incurred.

Thank you for the opportunity to submit this preliminary scope and budget and we look forward to discussing your interest.



REQUEST FOR BOARD ACTION

Meeting Date: August 13, 2020

Agenda Item: VIII. d. Consideration and Possible Action to Approve On-Call Contracts for Legal Services with Three Firms for Two Years with a Possibility of a One Year Extension, Including FY 2021 Maximum Funding as Follows:

- 1. Winstead PC / Law Office of Graciela Saenz PLLC - \$110,000**
- 2. Husch Blackwell - \$54,000**
- 3. Law Offices of Marjuana Bush Williams PLLC - \$47,000**

ACTION SUMMARY

Approval of this item will authorize awarding of on-call contracts for legal services to three firms, including HLB's present legal services providers, to address expiring agreements and broaden HLB's access to legal experience and expertise.

BACKGROUND/OVERVIEW

The proposed item would award contracts for legal services to three firms, with each receiving a not to exceed funding amount for the current fiscal year (subsequent years' funding are to be approved by the Board as part of future budgets).

HLB's current legal services provider is Winstead; the firm's scope of work was established in 2013. Winstead's services include real estate transactional work and general board governance support. This proposal maintains HLB's relationship with Winstead while recognizing the increasingly complex and diverse legal issues HLB must address in its work and would add two new firms to augment the work to be continued by Winstead.

Anticipated areas of focus include:

- Winstead P.C. – Real Estate Acquisition/Disposition/Development; Contracts/Agreements Drafting and Due Diligence Review; and Board Governance
- Husch Blackwell – Affordable Housing/Funding; Governmental Procurement; Interlocal Agreement Negotiations/Document Drafting; Corporate Compliance/Risk Management; and Public Finance
- MarJuana Bush Williams PLLC – Labor & Employment and Real Estate Title Clearance/Document Drafting

Developed in early 2020 with notification to board members and current legal counsel, an RFQ for legal services was posted on the HLB website March 16–May 4, 2020. It was advertised in the Houston Business Journal for two consecutive weeks, and was also

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promoted through the City of Houston's Office of Business Opportunity weekly e-blast; additional outreach occurred via the Houston Lawyers Association and The Downtown Group, as well as direct notifications of procurement opportunity to a variety of firms in the HLB database.

Seven responses were received. These were reviewed and scored by one HLB staff member and Oversight Committee Chair Mario Castillo according to scoring criteria set forth in the request for qualifications. Based on average scores, five respondents were selected for interviews that included the two evaluators, the CEO and HLB's in-house counsel.

Of the five respondents interviewed, the three firms proposed for contracts via this item were selected as best-qualified based on scoring and interview results.

- Winstead PC/Law Office of Graciela Saenz – HLB's current provider is to be retained based in part on a great deal of historical knowledge about the organization and familiarity with many areas regarding complex real estate transactions and certain aspects of board governance.
- Husch & Blackwell – this is a firm that was introduced to HLB during a conflict of interest situation where Winstead and Gracie Saenz were not able to represent us, and provided great quality work. Arturo Michel and Sandy Gomez would be the principals. A former Houston city attorney, Michel brings affordable housing and governmental knowledge; Gomez brings a public finance/general counsel expertise of potential value to HLB. The firm also offers expertise in public procurement and should contribute valuable insight regarding specific fields of law in which the current organization needs increased expertise.
- Law Office of MarJuana Bush Williams – this solo minority-owned practice has a wealth of knowledge in the real estate industry and has served as general counsel to a construction company and counsel to Port Arthur Independent School District, including supporting employment and contracting issues. Bush Williams is board certified in both commercial and residential real estate law and a member of the REPTL Council and State Bar of Texas Real Estate Forms Committee. This experience should be of value with regard to small title clearance issues on old lots, as well as employment law issues and any construction litigation or issues that may arise.

Given the work effort and diversity of full organizational needs that were not required under the prior LARA program, HLB requires a variety of legal consultants to assist with executing its mission with progression and sustainability within the affordable housing arena.

- Conflict of Interest – If there is ever a conflict of interest with our current Outside/General Counsel, which has come up at least once before, HLB needs another firm already under agreement that is familiar with HLB and can pick up and take over whatever matter it is.

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- Interlocal Agreement – HLB has been in need of a new interlocal agreement for several years now and it will be helpful to have a broader bench of legal advice and relationships as it is seen through to fruition. HLB will need the Board of Directors and a few other key stakeholders, including legal counsel, to support this effort.
- Transparency/Accountability – HLB has had the same counsel since the inception of LARA, and the last contract with outside counsel was executed in 2015. Since then the needs of the organization have changed significantly (with new staff, new programs, and new plans). As HLB is re-procuring all contract services, it is necessary to have a formal RFQ for Legal Services completed to ensure compliance with auditing regarding TIRZ funding from the City of Houston. Process and budget management are key going forward, and a new agreement needs to be in place so that the monitoring of engagements and transactions can be more streamlined, adequate and cost-efficient.
- Expertise – Our current Outside/General Counsel does not have expertise in all areas of the law that HLB requires as it moves forward, such as public finance and affordable housing, as well as significant experience in public procurement. Public Finance is a very finite field, but something that HLB may require expertise in as the land bank moves forward with plans and studies for the Settegast community. Current counsel has advised on several occasions that they are not experts in affordable housing, which is a niche field where HLB needs assistance for fully developing programs and contract documents. With the increase in the scope of activities of the Land Bank, there is an increased need for procurement of a variety of professional and construction services, and equipment, and therefore an increased need for expert counsel to protect the organization.



OUTSIDE COUNSEL AGREEMENT

("Winstead PC")

600 Travis Street STE. 5200
Houston, TX 77002

This Outside Counsel Agreement (this "Agreement") is executed as of the ____ day of August, 2020 (the "Effective Date") between Winstead PC ("Winstead") and Houston Land Bank ("HLB") (collectively "Parties") and sets forth the essential general terms of the business relationship between the Parties.

1. **SERVICES.** Winstead agrees to provide HLB legal advice and representation regarding matters related to Real Estate Acquisition/Disposition/Development, Contracts/Agreements Drafting and Due Diligence Review, and Board Governance (collectively "Services") pursuant to this Agreement, which may be modified from time to time in HLB's sole discretion.

From time to time, HLB may request additional services from Winstead not named in this Agreement (the "Additional Services"). Such requests for Additional Services shall incorporate the terms and conditions of this Agreement by reference. Within thirty (30) days of retention for Additional Services, Winstead shall submit a legal plan of action for the transaction or matter (the "Case Plan") and a budget (the "Case Budget") for that matter. The Case Plan and Case Budget shall be updated promptly as circumstances require. The Case Plan need not take a particular format, but should contain an initial analysis of the transaction or lawsuit, identification of issues and objectives, development of a strategy, identification of required activities, target dates for completion and the projected cost for each phase. The Case Plan may be in letter or outline form. The Case Budget may be incorporated in the Case Plan or may be submitted separately in letter, outline, or spreadsheet form.

2. **AUTHORIZATION.** Darice Harris, Vice President – Legal Counsel/Program Director, will be Winstead's contact with HLB (the "Supervising Attorney"). Winstead must copy the Supervising Attorney on all correspondence, including that which is directed to any other employees of HLB. If a non-legal professional outside of Anne Haynes, CEO/President, within HLB requests legal services, please notify the Supervising Attorney.

No work regarding the Services or Additional Services is to commence until HLB's Supervising Attorney has approved the full scope. However, the Parties acknowledge that there may be emergency circumstances that compel commencement of work prior to approval (for example, emergency relief in litigation, danger of statute of limitations running, etc.), in which event work may commence upon notification by Winstead to HLB, and HLB and Winstead will then discuss and approve the scope of such work as soon as practicable thereafter under the circumstances. Winstead should communicate promptly on any significant developments in the Services or Additional Services, and while HLB relies on Winstead and their expertise, please note

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that Winstead is not authorized to make substantive decisions without the express written authorization of the Supervising Attorney.

3. **ASSIGNMENT OF WORK.** Generally, the Services or Additional Services assigned to Winstead (other than those of a very complex nature, or requiring specialized expertise) should be handled by one attorney who may, when appropriate, be assisted by a legal assistant or paralegal. If a matter requires simultaneous handling by more than one attorney, Winstead must obtain prior approval from the Supervising Attorney. “Local” counsel, experts, and other consultants may not be retained without HLB prior approval.

4. **WORK PRODUCT.** HLB expects and encourages Winstead to communicate frequently with the Supervising Attorney on the matter(s) being handled. HLB also expects prompt, timely responses to inquiries/requests and advance notice of all significant upcoming events or deadlines regarding any Services or Additional Services. Copies of all final and filed documents must be sent to the Supervising Attorney, including but not limited to substantive file memoranda, minutes, contracts, agreements, etc.

5. **INVOICING AND COMPENSATION.** HLB shall pay Winstead only those fees that are specifically set forth in (or are calculated in accordance with) this Agreement (“Fees”). The full amount of Fees for each calendar year of this Agreement shall not exceed \$110,000.

A. Hourly Rates

- i. Hourly rates for legal services are as follows:
 - Shareholder - \$350
 - Of Counsel - \$250
 - Associates - \$350
 - Paralegals - \$250
- ii. The implementation of any rate increase requires HLB’s written consent. HLB will not honor unilateral rate increases that are not approved in advance.
- iii. Where services are rendered on a basis other than hourly rates, a specific agreement must be included as part of the scope of work agreement between HLB and Winstead.

B. Invoices

- i. Invoices for Fees shall be submitted on a monthly basis via email directly to HLB’s Legal Counsel at dharris@houstonlandbank.org, with a copy to ggonlazez@houstonlandbank.org, no later than seven (7) calendar days from the end of the calendar month in which the Fees were accrued. Each invoice must provide a summary of the charges billed by each individual timekeeper showing:
 - His or her identity as used on the invoice
 - His or her status (e.g., partner, associate, paralegal, etc.)
 - His or her hourly rate

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- Total time billed by each timekeeper included on the invoice
 - Corresponding total dollar amount charged by each timekeeper
 - Discounts if applicable
- ii. HLB will pay undisputed invoices within thirty (30) days from receipt. Implicit in the submission of a statement for services rendered and out of pocket disbursements is the assurance of the billing partner that he or she has reviewed the bill and is satisfied that the services billed were effective and efficient and produced the appropriate value for the dollars being billed.
 - iii. All invoices for expenses must have supporting documentation available for review upon our request. All time must be billed in tenth-of-an-hour increments unless a pre-approved alternative fee arrangement is applicable. Block-billed time records (i.e., lumping several tasks together with a total for the time spent to perform the tasks) are not acceptable unless segregated by tasks with the time expended for each task defined clearly (e.g., telephone conference with counsel (.3); prepare lease agreement (.7). HLB reserves the right to examine and audit books, records, other documents, and supporting material for the purpose of evaluating compliance for billing of the Services or Additional Services. All invoices must contain a detailed itemization by category, cost item, and date (including detail for expenses).
 - iv. Legal research billings should include a brief description of the issue researched, as well as names or citations of the digests, statutes, annotations, cases, journals, etc. reviewed (e.g., “Perform case analysis under Texas law regarding reasonable geographical scope for employee non-competition agreements”).

C. Items Requiring Prior Approval - HLB will not pay for the following without prior approval:

- i. Time incurred performing legal research, including computerized, in excess of \$500 for a given month. Winstead agrees to be cognizant of the costs incurred performing electronic research, as this provision will be enforced;
- ii. Expenses lacking details, such as travel and itinerary information;
- iii. Excessive reworking or redrafting of agreements, correspondence, legal memoranda, or other documents;
- iv. More than one attendee or participant at a meeting, mediation/arbitration, hearing, court appearance and other similar or related events including conference calls, unless advance approval is given;
- v. Duplicated efforts; or
- vi. Documents prepared outside of the initial scope of work or Case Plan without approval.

6. INSURANCE. Winstead shall maintain professional liability insurance covering all attorneys working on Services or Additional Services as required by law and shall provide evidence of said insurance upon request by HLB.

7. CONFIDENTIALITY. Winstead agrees that the terms and conditions of this Agreement shall be confidential, and that Winstead shall take all steps reasonably required to preserve the confidentiality and privilege of all communications between HLB and Winstead.

8. TERM AND TERMINATION. The term of this Agreement shall be for the Effective Date through _____, 2022 and may be renewed upon mutual written agreement of HLB and Winstead. This Agreement and any Services or Additional Services provided pursuant to it may be terminated by HLB at any time. Winstead may terminate this Agreement if HLB has breached this Agreement and failed to cure said breach within thirty (30) days written notice of the same, including failure to pay Winstead's invoices in accordance with the terms hereof, or if Winstead is required to terminate the relationship by law or due to an ethical conflict that cannot be waived.

9. RETURN OF HLB PROPERTY. Upon any termination of the Agreement, Winstead agrees to immediately turn over to HLB any and all records, files, documents, writings and data of every kind and nature (the "Files") relating to the Services or Additional Services performed and agrees not to retain any copies or other electronic reproductions of the Files, including voicemails, dictation recordings, and video files, unless consented to by HLB. Winstead shall provide written notification if it determines it appropriate to dispose of any materials related to the Services or Additional Services.

10. PUBLICITY. Winstead is permitted to mention that it represents HLB in a list of representative clients. All other media mention or inquiries of any type must be approved in advance by HLB, including but not limited to "no comment" or other non-substantive responses to media inquiries.

11. DISPUTE RESOLUTION. Each party commits that in the event of a dispute, which can be defined as a claim by HLB against Winstead or Winstead against HLB, including claims for unpaid fees and charges, negligence, quality of services, breach of contract or fiduciary duty, fraud or any other claims arising out of or relating to any aspect of this Agreement and the Services or Additional Services is referred to herein as a (the "Dispute"). The Parties shall first endeavor to resolve their Dispute by good faith negotiations between or among the Parties. In the event the Parties are unable to resolve the matter, the Parties agree to attempt to mediate their Dispute within thirty (30) days after the Dispute initially arose, using a third party mediator approved by both Parties. All mediation proceedings shall be confidential, and no information exchanged in such mediation shall be discoverable or admissible in any litigation involving the Parties. HLB reserves the right to any and all additional contract remedies under the law if mediation is not successful.

12. ENTIRE AGREEMENT. This Agreement, together with all exhibits, schedules and attachments, constitutes the entire agreement between the Parties with respect to the subject matter hereof. This Agreement supersedes, and the terms of this Agreement govern, any prior agreements with respect to the subject matter hereof with the exception of any prior confidentiality agreements between the Parties. This Agreement may only be changed by mutual agreement of authorized representatives of the Parties in writing. To the extent that any of the terms and conditions of this

Agreement conflict with previous billing guidelines, engagement letters or other agreements between Winstead and HLB, this Agreement supersedes all prior agreements or arrangements.

IN WITNESS WHEREOF, the Parties hereto have caused this Outside Counsel Agreement to be executed as of the Effective Date.

HOUSTON LAND BANK

By: _____
Name: _____
Title: _____

WINSTEAD PC

By: _____
Name: _____
Title: _____