

## PURCHASE AGREEMENT

This Purchase Agreement ("Agreement") is between **The City of Houston, Texas**, a municipal corporation situated in Harris, Fort Bend and Montgomery Counties, Texas (the "City"), and **Lakewood Church**, a Texas nonprofit corporation ("Buyer"), to be effective as of the Effective Date (as hereinafter defined in Section 28 below).

### RECITALS:

A. As of the Effective Date, the City is the fee simple title owner of that certain real property more particularly described on **Exhibit "A"** attached hereto (the "Real Property").

B. Buyer and the City are parties to that certain Lease Agreement dated effective December 28, 2001 (as same has been heretofore amended, the "Lease"), pursuant to which Buyer is currently leasing the Real Property from the City.

C. The sale of the Property (defined below) by the City to Buyer is being made pursuant to Section 272.001(b)(4) of the Texas Local Government Code.

### AGREEMENTS:

NOW THEREFORE, in consideration of the promises set forth in this Agreement and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the City and Buyer (collectively, the "Parties" or each, individually, a "Party") hereby agree as follows:

#### 1. BINDING AGREEMENT

This Agreement constitutes a binding agreement between the City and Buyer for the sale and purchase of the Property subject to the terms set forth in this Agreement. The City hereby agrees to sell, convey, and assign fee simple title to the Property to the Buyer and the Buyer hereby agrees to purchase and accept the Property from the City, for the Purchase Price, and on and subject to terms and conditions set forth in this Agreement. Subject to the limitations set forth in this Agreement, this Agreement shall bind and inure to the benefit of the Parties and their respective successors and assigns. This Agreement supersedes all other written or verbal agreements between the Parties concerning the transaction embodied in this Agreement. No claim of waiver or modification concerning the provisions of this Agreement shall be made against a Party unless based upon a written instrument signed by such Party.

#### 2. INCLUSIONS IN PROPERTY

(a) The Property. The term "Property" shall mean, collectively, the following:

- 1) Fee simple title to the Real Property;

- 2) Fee simple title to all buildings, structures, fixtures and improvements on the Real Property; and
- 3) All of the City's right, title and interest in and to all appurtenances pertaining to the Real Property, including all mineral, water and irrigation rights running with or otherwise pertaining thereto.

The City and Buyer acknowledge and agree that the Property does not include any of the following: tangible personal property other than fixtures, or insurance contracts or policies.

3. THE DEED AND THE DEVELOPMENT AGREEMENT

At Closing, all components of the Property shall be transferred and conveyed by execution by the City, and delivery by the City to Buyer, of a special warranty deed, in the form attached hereto as **Exhibit "B"** (the "Deed"). At Closing, the City shall deliver to Buyer the Deed, executed by the City and acknowledged. The Deed will also be executed by Buyer at Closing. At Closing, the City and Buyer hereby agree to execute and deliver to each other original counterparts of a Development Agreement in the form attached hereto as **Exhibit "C"** (the "Development Agreement").

4. PURCHASE PRICE

The aggregate price to be paid by Buyer to the City for the Property is Seven Million Five Hundred Thousand and No/100 Dollars (\$7,500,000.00) (the "Purchase Price"), and such Purchase Price shall be payable by Buyer, at the Closing, by wire transfer to City or Title Company of "good funds" (as defined in the Texas Insurance Code).

5. FINANCING CONTINGENCY

It shall be a condition to Buyer's obligation to close the transaction contemplated hereby that Buyer shall have been able to obtain an unconditional and irrevocable commitment for acquisition financing in the amount of the Purchase Price upon commercially reasonable terms and conditions, as determined by Buyer in Buyer's sole and absolute discretion, on or before the Closing Date. If Buyer is unable to obtain such a commitment on or before the Closing Date, Buyer may terminate this Agreement by written notice to the City on or before the Closing Date. In the event this Agreement is so terminated, all obligations, liabilities and rights of the parties under this Agreement shall terminate except as expressly set forth herein.

6. SURVEY AND TITLE COMMITMENT

(a) Buyer, at Buyer's option and expense, may order an updated survey of the Real Property (the "Survey"). If Buyer obtains the Survey, provided the Survey conforms with the City's existing standard survey requirements, the field note description on the Survey shall be incorporated in this Agreement and shall be used in all documents to be delivered at Closing pursuant to this Agreement. The City and

Buyer hereby instruct the Title Company selected by Buyer (the "Title Company") to deliver to the City and Buyer within 10 days after the Effective Date a title commitment (the "Title Commitment") covering the Real Property, showing all matters affecting title to the Real Property, and binding the Title Company to issue to Buyer at Closing the Owner Title Policy. The City and Buyer further instruct the Title Company to deliver as soon as practicable to the City and Buyer legible copies of all instruments referenced in Schedules B and C of the Title Commitment.

(b) If the Survey or the Title Commitment or any update thereof shows that any portion of the Real Property is subject to any lien, claim, encumbrance, reservation, restriction or other matter of whatsoever nature other than the Permitted Exceptions ("Encumbrances"), then City shall, at its sole cost and expense, use commercially reasonable efforts to cure or remove such Encumbrances. In the event the City has created or placed any Encumbrances against the Real Property, notwithstanding the other provisions of this Section 6, the City, at its sole cost and expense, shall cure or remove any such Encumbrances. The items listed on **Exhibit "A-1"** attached hereto and those Encumbrances waived by Buyer in writing shall be the "Permitted Exceptions". Buyer will accept title to the Real Property subject to the Permitted Exceptions and at Closing the Permitted Exceptions will be listed on Exhibit "B" of the Deed.

(c) If City fails or is unwilling to cause all of the Encumbrances to be removed or cured by the Closing Date, or if the Title Commitment or Survey indicates that City does not own indefeasible fee simple title to the Property, Buyer shall have the following rights, as it's sole and exclusive remedies:

1) Buyer may terminate this Agreement by giving City written notice thereof, in which event neither party shall have any further rights, duties, or obligations hereunder (however, such termination will have no effect on the Lease); or

2) Buyer may elect to waive the Encumbrances not so removed or cured and close the purchase and sale contemplated by this Agreement without any reduction in the Purchase Price in accordance with the remaining terms and provisions, whereupon the Encumbrances not so removed or cured shall become part of the Permitted Exceptions.

7. EARNEST MONEY [Buyer has been in possession of the Property under the current lease of the Property with and between City which became effective December 28, 2001, therefore this provision is intentionally not being used.]

8. IRS SECTION 1445

The City shall furnish to the Buyer on or before the Closing Date a sworn affidavit (the "Non-Foreign Affidavit") stating under penalty of perjury that the City is not a "foreign person" as such term is defined in Section 1445 of the Internal Revenue Code of 1986, as amended (the "Code").

9. DELIVERY OF POSSESSION

The City represents and warrants that as of the Effective Date there are and at Closing there will be no parties in possession of the Property or any portion thereof, except for Buyer.

10. CONDITIONS PRECEDENT

(a) In addition to all other conditions precedent set forth in this Agreement, Buyer's obligations to perform under this Agreement and to close the transaction contemplated by this Agreement are expressly subject to and conditioned upon the following:

1) INTENTIONALLY DELETED.

2) The delivery by the City to Buyer at Closing of executed originals of the Development Agreement and the Deed to be executed by the City (properly notarized where required).

3) The issuance by the Title Company to Buyer, at Buyer's sole cost and expense, of an owner policy of title insurance on the form prescribed by the Texas Department of Insurance (the "Owner Title Policy") in the amount of the Purchase Price showing Buyer as owner in fee simple of the Real Property and subject only to the standard printed exceptions contained therein and to the Permitted Exceptions, provided, any exception for rights of parties in possession shall except only to the rights of Buyer as a tenant in possession under Lease.

4) The delivery by the City to Buyer and the Title Company at Closing of any additional documents as may be reasonably required for the proper consummation of the transaction contemplated by this Agreement or that may be usual and customary in closing similar transactions.

If the foregoing conditions have not been satisfied by Closing, then Buyer shall have the right, as Buyer's sole and exclusive remedy, by giving written notice to the City, to exercise the remedies available to Buyer in Section 15 of this Agreement.

(b) In addition to all other conditions precedent set forth in this Agreement, the City's obligations to perform under this Agreement and to close the transaction contemplated by this Agreement are expressly subject to the following:

1) Payment by Buyer of the Purchase Price;

2) The delivery by Buyer to the City at Closing of executed originals of the Development Agreement and the Deed to be executed by Buyer (properly notarized where required).

3) The delivery by Buyer to the City and the Title Company at Closing of any additional documents may be reasonably required for the proper consummation

of the transaction contemplated by this Agreement or that may be usual and customary in closing similar transactions.

If the foregoing conditions have not been satisfied by Closing, then the City shall have the right, as the City's sole and exclusive remedy, by giving written notice to Buyer and Escrow Agent, to exercise the remedies available to the City in Section 15 of this Agreement.

11. BROKER'S COMMISSION

Concerning any brokerage commission, the Parties warrant to one another that they have not dealt with any finder, broker or realtor in connection with this Agreement and, if any person shall assert a claim to a finder's fee or brokerage commission on account of alleged employment as a finder or broker in connection with this Agreement, the Party under whom the finder or broker is claiming shall (but, as to the City, only to the extent permitted by law) indemnify and hold the other Party harmless from and against any such claim and all costs, expenses and liabilities incurred in connection with such claim or any action or proceeding brought on such claim, including, but not limited to, counsel and witness fees and court costs in defending against such claim. The indemnification provisions of this Section shall survive termination of this Agreement or the Closing.

12. CLOSING

The consummation of the transactions contemplated by this Agreement (the "Closing") shall occur on the date (the "Closing Date") that is forty-five (45) days after the Effective Date of this Agreement or sooner as agreed to by the Parties.

13. ASSIGNMENT

Without the prior written consent of the City, Buyer shall not, directly or indirectly, assign this Agreement or any of its rights hereunder. Any attempted assignment in violation hereof shall, at the election of the City, be of no force or effect and shall constitute a default by Buyer.

14. RISK OF LOSS

Buyer will notify the City promptly if all or any part of the Property is destroyed or damaged or becomes subject to condemnation or eminent domain proceedings before Closing. Within 5 days following notice from Buyer with respect to the damage, destruction, or taking, Buyer must deliver written notice of its election either to (i) proceed with the Closing or (ii) terminate this Agreement. If Buyer proceeds with the Closing, Buyer is entitled to all insurance proceeds or condemnation awards payable as a result of the damage or taking; and, to the extent necessary or appropriate, Seller will assign to Buyer at Closing Seller's rights to such proceeds or awards. If Buyer fails to deliver written notice of its election within the 5-day period, Buyer will be deemed to have elected to not terminate this Agreement.

15. REMEDIES

(a) The City's Breach If the City shall fail or refuse to consummate the transaction in accordance with the terms of this Agreement (and Buyer is not in breach hereof), Buyer may, at Buyer's sole option and as Buyer's sole and exclusive remedy, by written notice to the City and the Title Company, terminate this Agreement whereupon, except as otherwise provided in this Agreement, neither of the Parties shall have any further liability or obligation hereunder. Buyer specifically waives any and all right to seek any other equitable relief and any and all right to seek actual, consequential, speculative, punitive or other damages.

(b) Buyer's Breach If Buyer shall fail or refuse to consummate the transaction in accordance with the terms of this Agreement (and the City is not in breach hereof), the City may, at the City's sole option and as the City's sole and exclusive remedy, by written notice to Buyer and the Title Company, terminate this Agreement whereupon, except as otherwise provided in this Agreement, neither of the Parties shall have any further liability or obligation hereunder. The City specifically waives any and all right to seek any other equitable relief and any and all right to seek actual, consequential, speculative, punitive or other damages.

(c) Exclusive Remedies. The City and Buyer agree that except with respect to a breach of obligations that survive the termination of this Agreement or the Closing, and except for attorneys' fees under Section 16 below, the remedies provided in this Section 15 shall be the sole and exclusive remedies to which the Parties shall be entitled, and the City and Buyer expressly waive and release any other remedies to which they may otherwise be entitled, at law or in equity.

16. ATTORNEYS' FEES. In the event of any litigation between the Parties as a result of or arising out of this Agreement, the prevailing Party shall be entitled to recover all costs and expenses of such litigation, including reasonable attorney's fees, from the non-prevailing Party.

17. NOTICES

(a) Addresses. Except as otherwise required by law, any notice required or permitted hereunder shall be in writing and shall be given by personal delivery, or by deposit in the U.S. Mail, certified or registered, return receipt requested, postage prepaid, addressed to the Parties at the addresses set forth below, or at such other address as a Party may designate in writing pursuant hereto, or fax number (with a copy to follow by overnight courier), or any express or overnight delivery service (e.g., Federal Express), delivery charges prepaid:

if to the City:

City of Houston  
Attention: Forest R. Christy, Jr.  
Director, Real Estate  
General Services Department

P.O. Box 61189  
Houston, Texas 77252-1189  
Phone: (832) 393-8013  
Fax: (832) 393-8012  
Email: Bob.Christy@cityofhouston.net

with a copy to:

City of Houston, Texas  
City Attorney's office  
900 Bagby, 4th Floor  
Houston, Texas 77002  
Attention: John Liles  
Fax: (832) 393-6259

if to Buyer:

Lakewood Church  
P.O. Box 23297  
Houston, Texas 77228  
Attention: Administrator  
Fax: (713) 491-1209

with a copy to:

Winstead PC  
1100 JPMorgan Chase Tower  
600 Travis Street  
Houston, Texas 77002  
Attention: Denis C. Braham  
Fax: (713) 650-2400

(b) Effective Date of Notices. Notice shall be deemed to have been given on the date on which notice is delivered, if notice is given by personal delivery or facsimile (with a copy to follow by overnight courier), and on the date of deposit in the mail, if mailed or deposited with an overnight carrier. Notice shall be deemed to have been received on the date on which the notice is received, if notice is given by personal delivery, and on the third (3rd) day following deposit in the U.S. Mail, if notice is mailed.

18. CLOSING COSTS

(a) Prorations. [There are no prorations, therefore this provision is intentionally not being used.]

(b) Closing Costs. The City and Buyer agree to pay closing costs as indicated in this Section and in the other Sections of this Agreement. At Closing, Buyer shall pay (i) recording fees related to the Closing, (ii) the cost of the issuance of the Owner Title Policy, and (iii) any other costs to be paid by Buyer under this Agreement. Except as

otherwise provided for in this Agreement, the City and Buyer will each be solely responsible for and bear all of their own respective expenses, including, without limitation, expenses of legal counsel, accountants, appraisers, and other advisors incurred at any time in connection with pursuing or consummating the transaction contemplated herein.

19. APPROVALS

Concerning all matters in this Agreement requiring the consent or approval of any Party, the Parties agree that any such consent or approval shall not be unreasonably withheld unless otherwise provided in this Agreement. Buyer acknowledges that the City is not bound to any agreement until an ordinance has been passed by the City Council of the City of Houston and countersigned by the City of Houston Controller.

20. ADDITIONAL ACTS

The Parties agree to execute promptly such other documents and to perform such other acts as may be reasonably necessary to carry out the terms and provisions of this Agreement.

21. GOVERNING LAW – JURISDICTION - VENUE

This Agreement shall be construed and the rights and obligations of the City and Buyer hereunder determined in accordance with the internal laws of the state in which the Property is located without regard to the principles of choice of law or conflicts of law. In recognition of the benefits of having any disputes with respect to this Agreement resolved by an experienced and expert person, the City and Buyer hereby agree that any suit, action, or proceeding, whether claim or counterclaim, brought or instituted by any Party on or with respect to this Agreement or which in any way relates, directly or indirectly, to this Agreement or any event, transaction, or occurrence arising out of or in any way connected with this Agreement or the Property, or the dealings of the Parties with respect thereto, shall be tried only by a court and not by a jury. EACH PARTY HEREBY EXPRESSLY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY SUCH SUIT, ACTION, OR PROCEEDING.

22. CONSTRUCTION

The terms and provisions of this Agreement represent the results of negotiations among the Parties, each of which has been represented by counsel of its own choosing, and neither of which has acted under any duress or compulsion, whether legal, economic or otherwise. Consequently, the terms and provisions of this Agreement shall be interpreted and construed in accordance with their usual and customary meanings, and the Parties each hereby waive the application of any rule of law which would otherwise be applicable in connection with the interpretation and construction of this Agreement that ambiguous or conflicting terms or provisions contained in this Agreement shall be interpreted or construed against the Party whose attorney prepared the executed Agreement or any earlier draft of the same.



23. TIME OF ESSENCE

Time is of the essence of this Agreement. However, if this Agreement requires any act to be done or action to be taken on a date which is a Saturday, Sunday or legal holiday, such act or action shall be deemed to have been validly done or taken if done or taken on the next succeeding day which is not a Saturday, Sunday or legal holiday, and the successive periods shall be deemed extended accordingly.

24. INTERPRETATION

If there is any specific and direct conflict between, or any ambiguity resulting from, the terms and provisions of this Agreement and the terms and provisions of any document, instrument or other agreement executed in connection herewith or in furtherance hereof, including any Exhibits hereto, the same shall be consistently interpreted in such manner as to give effect to the general purposes and intention as expressed in this Agreement, which shall be deemed to prevail and control.

25. HEADINGS AND COUNTERPARTS

The headings of this Agreement are for reference only and shall not limit or define the meaning of any provision of this Agreement. This Agreement may be executed in any number of counterparts, each of which shall be an original but all of which shall constitute one and the same instrument.

26. INCORPORATION OF EXHIBITS BY REFERENCE

All Exhibits to this Agreement are fully incorporated herein as though set forth at length herein. "Include", "includes" and "including" as used in this Agreement shall be deemed to be followed by ", but not limited to," whether or not they are in fact followed by such words or words of like import. "Hereof", "herein", "hereunder" and comparable terms refer, unless otherwise expressly indicated, to the entire agreement or instrument in which such terms are used and not to any particular article, section or other subdivision thereof or attachment thereto. References in an instrument to "Article", "Section", "Subsection" or another subdivision or to an attachment are, unless the context otherwise requires, to an article, section, subsection or subdivision of or an attachment to such agreement or instrument. A defined term has the same meaning throughout this Agreement, may appear in this Agreement before its definition and applies to all grammatical variations of the term also shown with initial capital letters.

27. SEVERABILITY

If any provision of this Agreement is unenforceable, the remaining provisions shall nevertheless be kept in effect.

28. EFFECTIVE DATE

The date this Agreement is countersigned by the City Controller of the City of Houston shall be the "Effective Date" of this Agreement.

29. ENTIRE AGREEMENT

This Agreement contains the entire agreement between the Parties and supersedes all prior agreements, oral or written, with respect to the subject matter hereof. The provisions of this Agreement shall be construed as a whole and not strictly for or against any Party.

30. AS-IS; DISCLAIMER

(a) EXCEPT AS OTHERWISE PROVIDED HEREIN, THE CITY HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY DISCLAIMS ANY REPRESENTATIONS, WARRANTIES, PROMISES, COVENANTS, AGREEMENTS OR GUARANTEES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE, OF, AS TO, CONCERNING OR WITH RESPECT TO: (A) THE NATURE, QUALITY OR CONDITION OF THE PROPERTY, INCLUDING, WITHOUT LIMITATION, THE WATER, SOIL AND GEOLOGY; (B) THE SUITABILITY OF THE PROPERTY FOR ANY AND ALL ACTIVITIES AND USES WHICH BUYER MAY CONDUCT THEREON; (C) THE COMPLIANCE OF OR BY THE PROPERTY OR ITS OPERATION WITH ANY LAWS, RULES, ORDINANCES OR REGULATIONS OF ANY APPLICABLE GOVERNMENTAL AUTHORITY OR BODY; (D) THE HABITABILITY, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE PROPERTY; (E) THE PRESENCE OF ANY ENDANGERED OR THREATENED SPECIES ON THE PROPERTY, AS WELL AS THE SUITABILITY OF THE PROPERTY AS HABITAT FOR ANY OF THOSE SPECIES; (F) THE ACCURACY OR COMPLETENESS OF ANY MATERIALS GENERATED BY THIRD PARTIES FOR THE CITY WHICH ARE PROVIDED TO BUYER UNDER THE PROVISIONS OF THIS AGREEMENT OR OTHERWISE; OR (G) ANY OTHER MATTER WITH RESPECT TO THE PROPERTY. WITHOUT LIMITING THE FOREGOING, EXCEPT AS OTHERWISE PROVIDED HEREIN, THE CITY DOES NOT MAKE AND HAS NOT MADE ANY REPRESENTATION OR WARRANTY REGARDING THE PRESENCE OR ABSENCE OF ANY HAZARDOUS MATERIAL ON, UNDER OR ABOUT THE PROPERTY OR THE COMPLIANCE OR NON-COMPLIANCE OF THE PROPERTY WITH ANY AND ALL FEDERAL, STATE OR LOCAL ENVIRONMENTAL LAWS, ORDINANCES, REGULATIONS, ORDERS, DECREES OR RULES REGULATING, RELATING TO OR IMPOSING LIABILITY OR STANDARDS OF CONDUCT CONCERNING ANY HAZARDOUS MATERIAL.

(b) BUYER HEREBY ACKNOWLEDGES AND AGREES THAT, BEING GIVEN THE OPPORTUNITY TO INSPECT THE PROPERTY AS THE TENANT UNDER THAT ONE CERTAIN LEASE BY AND BETWEEN THE CITY AND BUYER/TENANT EFFECTIVE DECEMBER 28, 2001 PERTAINING TO THE PROPERTY COVERED BY THIS AGREEMENT, IF THIS TRANSACTION IS CONSUMMATED, BUYER WILL BE PURCHASING THE PROPERTY PURSUANT TO BUYER'S INDEPENDENT EXAMINATION, STUDY, INSPECTION AND KNOWLEDGE OF THE PROPERTY AND BUYER IS RELYING UPON ITS OWN DETERMINATION OF THE VALUE AND CONDITION OF THE PROPERTY AND NOT ON ANY

INFORMATION PROVIDED OR TO BE PROVIDED BY THE CITY, EXCEPT AS OTHERWISE PROVIDED HEREIN. BUYER FURTHER ACKNOWLEDGES AND AGREES THAT, EXCEPT AS OTHERWISE PROVIDED HEREIN, ANY INFORMATION PROVIDED OR TO BE PROVIDED WITH RESPECT TO THE PROPERTY WAS OR WILL BE OBTAINED FROM A VARIETY OF SOURCES AND THAT THE CITY HAS NOT MADE AND WILL NOT BE OBLIGATED TO MAKE ANY INDEPENDENT INVESTIGATION OR VERIFICATION OF SUCH INFORMATION AND THE CITY MAKES NO REPRESENTATIONS OR WARRANTIES OF ANY KIND AS TO THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION TO THE EXTENT GENERATED BY THIRD PARTIES FOR THE CITY. EXCEPT AS OTHERWISE PROVIDED HEREIN, BUYER IS RELYING UPON ITS OWN INSPECTIONS, INVESTIGATIONS, RESEARCH AND ANALYSES IN ENTERING INTO THIS AGREEMENT AND IS NOT RELYING IN ANY WAY UPON ANY REPRESENTATIONS, WARRANTIES, STATEMENTS, PLANS, SPECIFICATIONS, COST ESTIMATES, STUDIES, REPORTS, DESCRIPTIONS, GUIDELINES OR OTHER INFORMATION OR MATERIAL FURNISHED BY THE CITY OR ITS REPRESENTATIVES TO BUYER OR ITS REPRESENTATIVES, WHETHER ORAL OR WRITTEN, EXPRESS OR IMPLIED, OF ANY NATURE WHATSOEVER REGARDING ANY SUCH MATTERS. EXCEPT AS OTHERWISE PROVIDED HEREIN, THE CITY SHALL HAVE NO LIABILITY WITH RESPECT TO THE ACCURACY OR COMPLETENESS OF SUCH DELIVERED INFORMATION.

(c) THE OCCURRENCE OF CLOSING WILL CONSTITUTE AN ACKNOWLEDGEMENT BY BUYER THAT, EXCEPT AS OTHERWISE PROVIDED HEREIN, THE PROPERTY WAS ACCEPTED WITHOUT REPRESENTATION OR WARRANTY, STATUTORY, EXPRESS OR IMPLIED, AND OTHERWISE IN AN "AS IS, WHERE IS, AND WITH ALL FAULTS" CONDITION BASED ON BUYER'S OWN INSPECTION THEREOF. BUYER FURTHER ACKNOWLEDGES AND AGREES THAT, EXCEPT AS OTHERWISE PROVIDED HEREIN, THERE ARE NO ORAL AGREEMENTS, WARRANTIES OR REPRESENTATIONS COLLATERAL TO OR AFFECTING THE PROPERTY BY THE CITY, ANY AGENT OF THE CITY OR ANY THIRD PARTY. THE CITY IS FURTHER NOT LIABLE OR BOUND IN ANY MANNER BY ANY ORAL OR WRITTEN STATEMENTS, REPRESENTATIONS, OR INFORMATION PERTAINING TO THE PROPERTY FURNISHED BY ANY REAL ESTATE BROKER, AGENT, EMPLOYEE, SERVANT OR OTHER PERSON, UNLESS THE SAME ARE EXPRESSLY SET FORTH OR REFERRED TO HEREIN.

(d) BUYER HEREBY RELEASES THE CITY AND ITS AGENTS, REPRESENTATIVES, OFFICIALS AND EMPLOYEES (TOGETHER WITH THE CITY, THE "CITY RELATED PARTIES") FROM ANY AND ALL CLAIMS, LOSSES, DAMAGES, LIABILITIES, COSTS AND EXPENSES WHICH BUYER OR ANY PARTY RELATED TO OR AFFILIATED WITH BUYER HAS OR MAY HAVE ARISING FROM OR RELATED TO ANY MATTER OR THING RELATED TO THE PROPERTY (SAVE AND EXCEPT FOR THE REPRESENTATIONS, WARRANTIES, ACKNOWLEDGEMENTS, COVENANTS AND AGREEMENTS EXPRESSLY SET FORTH EITHER IN THIS AGREEMENT OR IN THE DEED) OR THE PHYSICAL CONDITION OF THE PROPERTY, ANY CONSTRUCTION DEFECTS, ANY ERRORS

OR OMISSIONS IN THE DESIGN OR CONSTRUCTION OF THE PROPERTY AND ANY ENVIRONMENTAL CONDITIONS AT, IN, ON OR UNDER THE PROPERTY, AND BUYER WILL NOT LOOK TO ANY OF THE CITY RELATED PARTIES IN CONNECTION WITH THE FOREGOING FOR ANY REDRESS OR RELIEF. THIS RELEASE INCLUDES CLAIMS OF WHICH BUYER IS PRESENTLY UNAWARE OR WHICH BUYER DOES NOT PRESENTLY SUSPECT TO EXIST WHICH, IF KNOWN BY BUYER, WOULD MATERIALLY AFFECT BUYER'S RELEASE TO THE CITY. THIS RELEASE WILL BE GIVEN FULL FORCE AND EFFECT ACCORDING TO EACH OF ITS EXPRESS TERMS AND PROVISIONS, INCLUDING THOSE RELATING TO UNKNOWN AND UNSUSPECTED CLAIMS, DAMAGES AND CAUSES OF ACTION.

(e) TO THE EXTENT REQUIRED TO BE OPERATIVE, THE DISCLAIMERS, RELEASES AND/OR WARRANTIES CONTAINED IN THIS SECTION ARE "CONSPICUOUS" FOR PURPOSES OF ANY APPLICABLE LAW, RULE, REGULATION OR ORDER.

(f) The terms set forth in the foregoing Sections 30(a) through (e) will survive the Closing and will not merge into the Deed.

### 31. REPRESENTATIONS AND WARRANTIES

(a) The City represents and warrants to Buyer to the actual knowledge of the City Representatives (as defined below), as of the Effective Date, that Buyer is not in default under any terms of the Lease, nor is the City aware of any fact, condition or event that would constitute an event of default by Buyer under the Lease or that would, with the giving of notice or passage of time or both, constitute an event of default by Buyer under the Lease. The City further represents and warrants to Buyer to the actual knowledge of the City Representatives, as of the Effective Date, that the City Representatives are not aware of any fact, condition or event which may give rise to any claim against Buyer by any third party beneficiary of the Lease. Buyer represents and warrants to the City to the actual knowledge of the Buyer Representatives (as defined below), as of the Effective Date, that Buyer is not in default under any terms of the Lease, nor is Buyer aware of any fact, condition or event that would constitute an event of default by Buyer under the Lease or that would, with the giving of notice or passage of time or both, constitute an event of default by Buyer under the Lease.

(b) The City represents and warrants to Buyer that, as of the Effective Date and following reasonable inquiry, the City Representatives are not aware of any use restrictions affecting the Property (other than the use restrictions set forth in the Lease) that would prevent Buyer from using the Property after Closing for any use that is currently permitted pursuant to the Lease.

(c) The City acknowledges that pursuant to Article XV of Chapter 10 (Sections 10-551 through 10-555) of the City of Houston Code of Ordinances, it is a discretionary function of the City whether or not to enforce restrictions affecting the character of the use to which real property may be put. The City agrees that so long as the Property is being used for any of the Uses (as defined in that certain Agreement Not to Enforce

dated as of December 31, 2002 and filed for record under Harris County Clerk's File No. W-324581), the City will not enforce (whether, without limitation, through imposition of civil penalties; alleging a use is a violation of restriction(s), which use is the subject of an affidavit required by the City of Houston Code of Ordinances; asserting, suing or filing any claim alleging noncompliance with restriction(s); or refusing or revoking a building permit or other approval of the City or ordering building work stopped on the basis of noncompliance with restriction(s)) the use restrictions contained in those certain instruments filed for record under Harris County Clerk's File Nos. E-048381 and E-048382.

(d) The City in its capacity as seller of the Property (excluding any action, omission or duty of the City when performing functions which the City is authorized or required to perform in its capacity as a governmental authority) represents and warrants to Buyer that as of the Effective Date, the City Representatives, following reasonable inquiry, do not have knowledge of any circumstances related to the Property that would indicate that the Property is not in compliance with all applicable laws, rules, ordinances, and regulations of the City.

(e) The Parties acknowledge and agree that each Party will rely upon and is entitled to rely upon the representations, warranties, acknowledgements, covenants and agreements in this Section 31 in entering into this Agreement and consummating the transaction contemplated hereunder; and each Party acknowledges but for the representations, warranties, acknowledgements, covenants and agreements in this Section 31, neither party would have agreed to enter into this Agreement.

(f) As used in this Section 31, the term "City Representatives" shall mean Dawn Ullrich, Stephen Lewis, and Bob Christy. As used in this Section 31, the term "Buyer Representatives" shall mean Kevin Comes, Todd Fisher and Regan VanSteenis.

(g) The Parties agree that the representations, warranties, acknowledgements, covenants and agreements in this Section 31 shall survive Closing, payment of the Purchase Price and delivery of the Deed.

### 32. INDEPENDENT CONSIDERATION

Contemporaneously with the execution hereof, Buyer has delivered to the City independent consideration in the amount of One Hundred and No/100 Dollars (\$100.00) ("Independent Consideration") in addition to and independent of any other consideration provided hereunder. The Independent Consideration is given for Buyer's right to terminate this Agreement, is nonrefundable and shall be retained by the City under all circumstances. By execution of this Agreement, the City acknowledges the receipt of the Independent Consideration and acknowledges the sufficiency of the Independent Consideration to solely support this Agreement.

### 33. TERMINATION OF THE LEASE

Effective upon Closing, the Lease shall be deemed terminated, and the City and Buyer shall each be released from all further obligations under the Lease, except for

any indemnity obligations contained in the Lease or other obligations that expressly survive the expiration of the Lease or the termination of the Lease. At Closing, the Deed will provide evidence of the termination of the Lease, including a release of the Memorandum of Lease filed under Harris County Clerk's File No. V633249.

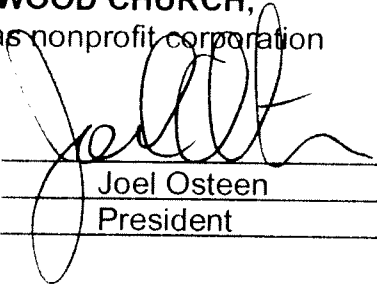
***[Execution pages follow]***

Routing Copy

**EXECUTED IN MULTIPLE ORIGINAL COUNTERPARTS**, each of which shall be an original, which together shall constitute but one and the same instrument, effective as of the date of countersignature by the City Controller of the City of Houston.

BUYER:

**LAKWOOD CHURCH,**  
a Texas nonprofit corporation

By:   
Name: Joel Osteen  
Title: President

THE CITY:

**THE CITY OF HOUSTON, TEXAS**

ATTEST:

\_\_\_\_\_  
Anna Russell  
City Secretary

\_\_\_\_\_  
Annise D. Parker  
Mayor of the City of Houston

APPROVED AND RECOMMENDED:

COUNTERSIGNED

\_\_\_\_\_  
Forest R. Christy, Jr.  
Director, Real Estate  
General Services Department

\_\_\_\_\_  
Ronald C. Green  
Controller

Countersignature Date:

\_\_\_\_\_  
Issa Z. Dadoush, P.E.  
Director  
General Services Department

\_\_\_\_\_  
Dawn R. Ullrich  
Director  
Convention and Entertainment  
Facilities Department

APPROVED AS TO FORM:

\_\_\_\_\_  
John H. Liles, Jr.  
Senior Assistant City Attorney  
LD # 039-0900264-001



**EXHIBIT A**

**LEGAL DESCRIPTION OF THE REAL PROPERTY**

A tract or parcel containing 6.945 acres of land and being all of Restrictive Reserve "A" of LAKEWOOD CHURCH, a subdivision in Harris County, Texas, according to the map or plat filed for record under Film Code No. 562014 of the Map Records of Harris County, Texas.

## EXHIBIT A-1

### PERMITTED EXCEPTIONS

1. Restrictions contained in instruments filed for record under Harris County Clerk's File Nos. E-048381 and E-048382, as modified by instruments filed for record under Harris County Clerk's File Nos. W-324581 and W-551010.
2. Terms, conditions and stipulations contained in that certain easement granted to Houston Lighting and Power Company, filed for record under Harris County Clerk's File No. F348525.
3. Terms, conditions and stipulations in that certain Site Coordination Agreement dated December 31, 2002, as evidenced by Memorandum filed for record under Harris County Clerk's File No. W324578, by and between Crescent Real Estate Equities Limited Partnership and Lakewood Church.
4. Building set back line 25' in width along a portion of the south property line, building set back line 10' in width along the west property line, visibility triangle(s) and aerial easements as shown on that certain map or plat of LAKEWOOD CHURCH, a subdivision in Harris County, Texas, filed for record under Film Code No. 562014 of the Map Records of Harris County, Texas.
5. Deed of Trust executed by Lakewood Church to PRLAP, Inc., Trustee, dated December 31, 2003, filed December 31, 2003, recorded in/under X296858 of the Real Property Records of Harris County, Texas, securing Bank of America in the payment of one note in the principal sum of Sixty Million and 00/100 (\$60,000,000.00), due and payable and bearing interest as therein provided; and all the terms, conditions and stipulations contained therein, including, but not limited to, any additional indebtedness, if any, secured by said instrument; additionally secured by Assignment of Leases and Rents dated December 31, 2003, filed December 31, 2003, recorded in/under X296860 of the Real Property Records of Harris County, Texas.
6. Deed of Trust executed by Lakewood Church to PRLAP, Inc., Trustee, dated February 18, 2005, filed March 9, 2005, recorded in/under Y311851 of the Real Property Records of Harris County, Texas, securing Bank of America in the payment of one note in the principal sum of Twenty Million and 00/100 (\$20,000,000.00), due and payable and bearing interest as therein provided; and all the terms, conditions and stipulations contained therein, including, but not limited to, any additional indebtedness, if any, secured by said instrument; additionally secured by Assignment of Leases and Rents dated February 18, 2005, filed March 9, 2005, recorded in/under Y311853 of the Real Property Records of Harris County, Texas.

7. Terms, conditions and stipulations contained in City of Houston, Texas, Ordinance No. 2003-1260, issuing a permit to Lakewood Church for constructing, maintaining, using, operating and repairing subsurface foundation elements and above-ground columns, building encroachments, and a pedestrian sky-bridge within the 3700 block of Norfolk Street and the 3800 block of Edloe Street, being public street right-of-way of the City of Houston, Texas.

8. Terms, conditions and stipulations contained in Section 8(b) of that certain Interlocal Arena Development Agreement dated September 13, 2000, by and between the City of Houston, Texas, and the Harris County Houston Sports Authority.

9. The restrictive covenants contained in the body of the Deed, the form of which is attached as **Exhibit "B"** to this Agreement.

**EXHIBIT B**

**SPECIAL WARRANTY DEED**  
**(with Restrictions)**

**THE STATE OF TEXAS §**

**COUNTY OF HARRIS §**

**THE CITY OF HOUSTON, TEXAS**, a municipal corporation situated in Harris, Fort Bend and Montgomery Counties, Texas ("Grantor"), for and in consideration of the sum of Ten and No/100 Dollars (\$10.00) paid to Grantor, the reasonable restrictive covenants set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, has, subject to the matters hereinafter set forth, GRANTED, SOLD, and CONVEYED and does hereby GRANT, SELL and CONVEY unto, **LAKWOOD CHURCH**, a Texas nonprofit corporation ("Grantee"), whose address P.O. Box 23297, Houston, Texas 77228, Attention: Administrator, fee simple title to the following (collectively, the "Property"):

That certain tract or parcel of land more particularly described on **Exhibit "A"** attached hereto and made a part hereof, together with all buildings, structures, fixtures and improvements thereon and all of Grantor's right, title and interest in and to all appurtenances pertaining thereto, including all mineral, water and irrigation rights running with or otherwise pertaining thereto.

This Deed and conveyance are made and accepted subject to the restrictive covenants created herein and those exceptions (hereinafter referred to collectively as the "Permitted Exceptions") set forth on **Exhibit "B"** attached hereto and made a part hereof, but only to the extent that the same are valid, subsisting, and enforceable and affect or relate to the Property.

TO HAVE AND TO HOLD the Property, together with all rights and appurtenances pertaining thereto, unto Grantee and Grantee's successors and assigns forever, subject to the Permitted Exceptions and other matters set forth herein; and, subject to the Permitted Exceptions and other matters herein set forth, Grantor does hereby bind Grantor and its successors and assigns to warrant and forever defend the Property unto Grantee and Grantee's successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof, by, through or under Grantor, but not otherwise.

Grantor and Grantee previously entered into that certain Lease Agreement dated effective December 28, 2001 (as previously amended, the "Lease") memorialized by that certain Memorandum of Lease filed under Clerk's File No. V633249 of the Official Public Records of Real Property of Harris County, Texas (the "Memorandum"). Effective as of the date of this Deed, the Lease and the Memorandum are terminated, released,

forever discharged and of no further force or effect. Grantor and Grantee hereby agree that the Property is and shall hereafter be fully released from the Memorandum.

Grantor acknowledges that pursuant to Article XV of Chapter 10 (Sections 10-551 through 10-555) of the City of Houston Code of Ordinances, it is a discretionary function of Grantor whether or not to enforce restrictions affecting the character of the use to which real property may be put. Grantor agrees that so long as the Property is being used for any of the Uses (as defined in that certain Agreement Not to Enforce dated as of December 31, 2002 and filed for record under Harris County Clerk's File No. W-324581), Grantor will not enforce (whether, without limitation, through imposition of civil penalties; alleging a use is a violation of restriction(s), which use is the subject of an affidavit required by the City of Houston Code of Ordinances; asserting, suing or filing any claim alleging noncompliance with restriction(s); or refusing or revoking a building permit or other approval of Grantor or ordering building work stopped on the basis of noncompliance with restriction(s)) the use restrictions contained in those certain instruments filed for record under Harris County Clerk's File Nos. E-048381 and E-048382.

For the benefit of Grantor, Grantor hereby establishes and imposes against the Property the following restrictive covenants which hereafter shall run with the land and burden the Property and all portions thereof for the time period set out therein, and such restrictive covenants may be amended or terminated only by written agreement executed by Grantor:

A. As of the date of this Deed, Grantor and Grantee have entered into a Development Agreement that provides for the continuing development of the Property and its improvements as enumerated in the Development Agreement for a period of ten (10) years. Grantee hereby covenants that, for a period of ten (10) years following the effective date of this Deed, Grantee will perform those obligations required of Grantee thereunder.

B. Grantee, its successors and assigns, hereby covenant that, as part of the consideration for this conveyance, that for fifty-four (54) years after the date of this Deed, Grantee will not seek enforcement of Section 3-2 of the Houston Code of Ordinances with respect to businesses in the vicinity of the Property, which Section 3-2 reads in pertinent part "[i]t shall be unlawful for any dealer to sell alcoholic beverages within the corporate limits of the city where the place of business of such dealer is within 300 feet of any church" to the extent that Grantee's use of the Property is considered a "church" for purposes of such ordinance.

C. Grantee, its successors and assigns, hereby covenant that, as part of the consideration for this conveyance, that neither Grantee nor its successors or assigns shall ever erect, place, use or maintain any billboard or similar structure on the Property for the display thereupon of any off-premise advertising, provided that this covenant shall not prevent:  
(i) signs advertising business conducted on the Property or products sold

on the Property, or signs otherwise reasonably incident to the occupancy and use of the Property or any building thereon; or (ii) continued use, maintenance, repair, upgrade or replacement of any advertising structure located on the Property as of the date hereof.

Grantor and Grantee agree and acknowledge that the use of the Property in violation of such restrictive covenants would cause irreparable harm to Grantor. The restrictive covenants set forth herein shall be enforceable by Grantor, who shall have the right to obtain such relief as may be available through any court of law to enjoin, remedy or prevent the breach thereof and to enforce the same and recover damages for the breach thereof. In any action to restrain or enjoin a violation of the restrictive covenants set out herein: (i) Grantor need not establish immediate and/or irreparable harm (the parties agree and stipulate that any breach or threatened breach will cause immediate and irreparable harm); (ii) Grantor need not establish the balance of harm weighs in favor of granting injunctive relief (the parties agree and stipulate that any such breach or threatened breach will cause the harm to Grantor to substantially outweigh any possible harm to any other person); (iii) Grantor need not establish that the injunctive relief will serve, and will not disserve, the public interest (the parties agree and stipulate that enjoining any breach or threatened breach will serve, and will not disserve, the public interest); and (iv) Grantor need not establish the inadequacy of other remedies at law or in equity (the parties agree and stipulate that Grantor will have no adequate alternative remedy in the event of any breach or threatened breach). The parties agree that (i) the foregoing agreements and stipulations are a material consideration for this Deed, (ii) such agreements and stipulations were a material inducement for Grantor's execution of this Deed and (iii) but for such agreements and stipulations, Grantor would not have agreed to convey the Property to Grantee for the agreed upon price. Each party waives its right to assert any claim or argument contrary to the foregoing agreements and stipulations.

No failure or delay of Grantor, in any one or more instances (i) in exercising any power, right or remedy under this Deed or (ii) in insisting upon the strict performance by Grantee, its successors or assigns, of the covenants, obligations or agreements hereunder, shall operate as a waiver, discharge or invalidation thereof, nor shall any single or partial exercise of any such right, power or remedy or insistence on strict performance, or any abandonment or discontinuance of steps to enforce such a right, power or remedy or to enforce strict performance, preclude any other or future exercise thereof or insistence thereupon or the exercise of any other right, power or remedy. The covenants, obligations and agreements of Grantee, its successors and assigns and the rights and remedies of Grantor upon a default shall continue and remain in full force and effect with respect to any subsequent breach, act or omission, unless a written instrument which specifically waives such restrictions, covenants, obligations and agreements executed by Grantor is recorded in the real property records of Harris County, Texas.

Grantor and Grantee expressly agree that the Property is being sold by Grantor and purchased by Grantee "AS IS" WITH ALL FAULTS OF ANY KIND, INCLUDING ENVIRONMENTAL FAULTS (WHETHER ABOVE, WITHIN, ON OR UNDER THE

PROPERTY), AND GRANTOR MAKES NO WARRANTIES, EXPRESSED OR IMPLIED, AS TO THE FITNESS, ENVIRONMENTAL COMPLIANCE, MERCHANTABILITY OR HABITABILITY OF THE PROPERTY, EXCEPT AS SPECIFICALLY SET FORTH IN THIS DEED OR IN THAT CERTAIN PURCHASE AGREEMENT BETWEEN GRANTOR AND GRANTEE DATED \_\_\_\_\_, 2010. GRANTOR SPECIFICALLY DISCLAIMS ANY AND ALL WARRANTIES AND REPRESENTATIONS, EXPRESSED OR IMPLIED, AS TO THE STATE OF THE PROPERTY TO BE CONVEYED THEREWITH, ITS CONDITION, QUALITY, QUANTITY, CHARACTER, SIZE, DESCRIPTION OR SUITABILITY OR FITNESS FOR ANY USE OR PURPOSE, WHETHER EXISTING OR CONTEMPLATED, EXCEPT AS SPECIFICALLY SET FORTH IN THIS DEED OR IN THAT CERTAIN PURCHASE AGREEMENT BETWEEN GRANTOR AND GRANTEE DATED \_\_\_\_\_, 2010.

This Deed shall also be effective to convey to Grantee (and Grantor hereby grants, sells and conveys to Grantee), without warranty, all of Grantor's right, title and interest in and to any buildings, structures, fixtures and improvements (specifically excluding any rights to the fee, easement or other estates in land) located within any portion of the right-of-way of the 3700 block of Norfolk Street and the 3800 block of Edloe Street in accordance with the permit issued to Lakewood Church by City of Houston, Texas, under Ordinance No. 2003-1260. Neither Grantor nor Grantor's successors or assigns will have, claim, or demand any right or title to any such buildings, structures, fixtures or improvements.

***[Signature pages follow]***

IN WITNESS WHEREOF, the parties have executed this Deed to be effective as of the \_\_\_\_ day of \_\_\_\_\_, 2010.

GRANTOR:

**THE CITY OF HOUSTON, TEXAS**

ATTEST:

\_\_\_\_\_  
Anna Russell  
City Secretary

\_\_\_\_\_  
Annise D. Parker  
Mayor of the City of Houston

THE STATE OF TEXAS §

COUNTY OF HARRIS §

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 2010, by Annise D. Parker, Mayor of **THE CITY OF HOUSTON, TEXAS**, a municipal corporation situated in Harris, Fort Bend and Montgomery Counties, Texas, on behalf of said corporation.

\_\_\_\_\_  
Notary Public, State of Texas

**(Notary Seal)**

APPROVED AS TO FORM:

\_\_\_\_\_  
John H. Liles, Jr.  
Senior Assistant City Attorney  
LD # 039-0900264-001



GRANTEE:

**LAKWOOD CHURCH,**  
a Texas nonprofit corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

THE STATE OF TEXAS §

COUNTY OF HARRIS §

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 2010, by \_\_\_\_\_ of **LAKWOOD CHURCH**, a Texas nonprofit corporation, on behalf of said nonprofit corporation.

\_\_\_\_\_  
Notary Public, State of Texas

**(Notary Seal)**

AFTER RECORDING, RETURN TO:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Exhibit "A" to Special Warranty Deed**

**Legal Description**

A tract or parcel containing 6.945 acres of land and being all of Restrictive Reserve "A" of LAKEWOOD CHURCH, a subdivision in Harris County, Texas, according to the map or plat filed for record under Film Code No. 562014 of the Map Records of Harris County, Texas.

**Exhibit "B" to Special Warranty Deed**

**Permitted Exceptions**

*(To be added at Closing)*

## EXHIBIT C

### DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT (this "Agreement") is made and entered into by and between **Lakewood Church**, a Texas nonprofit corporation (the "Developer"), whose address for purposes hereof is Lakewood Church, P.O. Box 23297, Houston, Texas 77228, Attention: Administrator, and **The City of Houston, Texas**, a municipal corporation situated in Harris, Fort Bend and Montgomery Counties, Texas (the "City"), whose address for purposes hereof is P.O. Box 61189, Houston, Texas 77252-1189, Attention: Director, General Services Division.

**WHEREAS**, the City is the fee simple owner of certain improved real property as more particularly described on **Exhibit "A"** attached hereto and made a part hereof (the "Property"); and

**WHEREAS**, the Developer is a religious organization and non-profit corporation; and

**WHEREAS**, although the Developer is not a foundation for purposes of federal income tax, it qualifies as an 'independent foundation' for purposes of Section 272.001(b)(4) of the Texas Local Government Code; and

**WHEREAS**, the Developer leases the Property from the City pursuant to that certain Lease Agreement dated effective December 28, 2001 (the "Lease"); and

**WHEREAS**, since taking possession of the Property as tenant under the Lease, the Developer has invested more than \$90 million (including construction and design costs) to renovate and redevelop the Property; and

**WHEREAS**, the City wants the Property operated by the Developer according to the specifications contained in this Agreement, consistent with Section 272.001(b)(4) of the Texas Local Government Code; and

**WHEREAS**, the City believes that the development of the Property in accordance with this Agreement would be a material benefit to the citizens of the City of Houston; and

**WHEREAS**, Section 272.001(b)(4) of the Texas Local Government Code permits the City to sell and convey the Property in a direct sale to the Developer for not less than fair market value; and

**WHEREAS**, the City and the Developer have entered into that certain Purchase Agreement, dated \_\_\_\_\_, 2010 (the "Sale Agreement"), which contemplates that the City will sell the Property to Developer for fair market value and that the Developer will enter into a written Development Agreement at or prior to the closing of the sale contemplated thereby.

**NOW, THEREFORE**, the parties hereto hereby agree as follows:

## **ARTICLE I**

### **DEFINED TERMS**

All initial capitalized terms that are not defined herein are used as defined in the Sale Agreement.

## **ARTICLE II**

### **Development of the Property**

Section 2.1 The Developer hereby agrees that for a period of ten (10) years following conveyance of the Property from the City to the Developer, the Developer will continue to operate the Property in substantially the same manner as Developer has operated the Property, providing a variety of services and ministries (such as education, community outreach, child development, counseling, and youth activities) to Developer's congregation and to the citizens of Houston, as are from time to time appropriate in connection with the Developer's mission.

Section 2.2 The Developer further agrees that for a period of ten (10) years following conveyance of the Property from the City to the Developer, the Developer will continue to provide to the citizens of Houston and/or those seeking the services of the Developer those types community services generally described on **Exhibit "B"**, at such levels in and in such a manner as are from time to time appropriate in connection with the Developer's mission.

Section 2.3 Developer agrees that for a period of ten (10) years following conveyance of the Property from the City to the Developer, title to the Property will be held in fee by a non-profit corporation.

Section 2.4 The Developer agrees that its obligations in this Agreement may be enforced at law or in equity, including but not limited to injunctive relief. In connection with the Developer's obligations in this Agreement, the City is entitled to enforce such obligations by all remedies available at law or in equity.

## **ARTICLE III**

### **Miscellaneous**

Section 3.1 Nothing contained herein shall be deemed or construed by the parties hereto, nor by any third party, as creating the relationship of principal and agent or of partnership or of joint venture between the Developer and the City.

Section 3.2 The captions used herein are for convenience only and do not limit or amplify the provisions hereof.

Section 3.3 One or more waivers of any covenant, term or condition of this Agreement by either party shall not be construed as a waiver of a subsequent breach of the same covenant, term or condition. The consent or approval by either party shall not be construed as a waiver of a subsequent breach of the same covenant, term or condition. The consent or approval by either party to or of any act by the other party requiring such consent or approval shall not be deemed to waive or render unnecessary consent to or approval of any subsequent similar act.

Section 3.4 Whenever herein the singular number is used, the same shall include the plural, and words of any gender shall include each other gender.

Section 3.5 This Agreement contains the entire agreement between the parties, and may only be changed, modified, amended or terminated by a written instrument signed by all parties hereto. In the case of the City, the requirement of a written instrument shall specifically and exclusively mean a written instrument signed by the then current Mayor. This Agreement supersedes all prior proposals.

Section 3.6 The laws of the State of Texas shall govern the interpretation, validity, performance and enforcement of this Agreement. Any action brought to enforce or interpret this Agreement shall be brought in the court of appropriate jurisdiction in Houston, Harris County, Texas. Should any provision of this Agreement require judicial interpretation, the parties hereto stipulate that the court interpreting or considering the same shall not apply the presumption that the terms hereof shall be more strictly construed against a party by reason of any rule or conclusion that a document should be construed more strictly against the party who prepared the same, it being agreed that all parties hereto have participated in the preparation of this Agreement and that each party had full opportunity to consult legal counsel of its choice before the execution of this Agreement.

Section 3.7 Each and every agreement contained in this Agreement is, and shall be construed as, a separate and independent agreement. If any provision of this Agreement should be held to be invalid or unenforceable, the validity and enforceability of the remaining provisions of this Agreement shall not be affected thereby.

Section 3.8 All remedies of the City under this Agreement are cumulative, and the election of any remedy by the City shall not foreclose the City from pursuing any other equitable or legal remedy.

Section 3.9 The terms, provisions and covenants contained in this Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

Section 3.10 The Developer represents and warrants that all consents or approvals required for the execution, delivery and performance of this Agreement have been obtained and that the Developer has the right and authority to enter into and perform its covenants and agreements contained in this Agreement.

Section 3.11 The City represents and warrants that all consents or approvals required for the execution, delivery and performance of this Agreement have been obtained and that City has the right and authority to enter into and perform its covenants and agreements contained in this Agreement.

Section 3.12 Time is of the essence in this Agreement.

Section 3.13 The term of this Agreement begins upon its effective date and ends ten (10) years following conveyance of the Property from the City to the Developer, at which time this Agreement shall automatically terminate and be of no further force or effect and shall be released with respect to the Property without the need for any further documentation.

Section 3.14 This Agreement is subject to all terms and provisions of the Charter and Code of Ordinances of the City of Houston, Texas, and is subject to approval by the City Council of the City of Houston, Texas, and the signature of the Mayor to this Agreement.

Section 3.15 Except as otherwise provided in this Section 3.15, Developer acknowledges that no representation, warranty, approval or agreement in this Agreement by the City (as a party to this Agreement) shall be binding upon, constitute a waiver by or estop the City from exercising any of its rights, powers or duties in its governmental functions pertaining to any regulatory, legislative, permitting, zoning, enforcement (including police powers), licensing or other functions which the City is authorized or required to perform in its capacity as a governmental entity of the State of Texas.

***[Execution Pages Follow]***

EXECUTED on the date set forth in the acknowledgment set forth below to be effective as of the \_\_\_\_\_ day of \_\_\_\_\_, 2010.

THE CITY:

**THE CITY OF HOUSTON, TEXAS**

ATTEST:

\_\_\_\_\_  
Anna Russell  
City Secretary

\_\_\_\_\_  
Annise D. Parker  
Mayor of the City of Houston

THE STATE OF TEXAS §

COUNTY OF HARRIS §

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 2010, by Annise D. Parker, Mayor of **THE CITY OF HOUSTON, TEXAS**, a municipal corporation situated in Harris, Fort Bend and Montgomery Counties, Texas, on behalf of said corporation.

\_\_\_\_\_  
Notary Public, State of Texas

**(Notary Seal)**

APPROVED AS TO FORM:

\_\_\_\_\_  
John H. Liles, Jr.  
Senior Assistant City Attorney  
LD # 039-0900264-001



DEVELOPER:

**LAKWOOD CHURCH,**  
a Texas nonprofit corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

THE STATE OF TEXAS §

COUNTY OF HARRIS §

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 2010, by \_\_\_\_\_, \_\_\_\_\_ of **LAKWOOD CHURCH**, a Texas nonprofit corporation, on behalf of said nonprofit corporation.

\_\_\_\_\_  
Notary Public, State of Texas

**(Notary Seal)**

AFTER RECORDING, RETURN TO:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**EXHIBIT A**

**PROPERTY DESCRIPTION**

A tract or parcel containing 6.945 acres of land and being all of Restrictive Reserve "A" of LAKEWOOD CHURCH, a subdivision in Harris County, Texas, according to the map or plat filed for record under Film Code No. 562014 of the Map Records of Harris County, Texas.

## EXHIBIT B

### COMMUNITY SERVICES

**Hospital Ministry** – provide groups of volunteers that call, visit, pray for, and encourage people in hospitals throughout the City of Houston. The impact of these constant visitations to the emergency rooms and ICU's of Houston hospitals cannot possibly be measured in terms of actual help and inspiration.

**Marriage and Mentoring** – provide volunteers to assist young and old couples alike that are facing challenges in their marriages. The goal is to provide new or struggling marriages with models and teachers to help resolve conflict and rediscover keys to communication. Strong marriages and families are an important foundation of a strong city, and Developer wants to provide resources in this key area.

**Jail and Prison Program** – provide volunteers to city, county and state prison systems with the expressed purpose of changing the lives of inmates who are willing to listen. Prison Fellowship in Washington, D.C. has done research indicating that recidivism rates under programs such as this are drastically reduced as inmates are encouraged and taught integrity, accountability, and how to apply moral values and take responsibility for their actions.

**Nursing Home Ministry** – provide volunteers to visit nursing home residents who request a visit or whose families request a visit. Each year volunteers visit hundreds of people that are shut-in due to age and physical limitations. The senior demographic category is exploding as more baby boomers move into this age group, and we continue to provide inspirational resources for this growing community.

**Comfort Ministry** – provide support and compassion to bereaved families who have lost loved ones. Comfort Ministry workers demonstrate their concern through prayer, visits, telephone calls, food services and attending funerals.

**Bookstore and Resource Center** – provide a retail store that sells videos, CD's, cassette tapes and other teaching materials. These materials are faith-based, educational, inspirational, and motivational to help individuals discover biblical truths to become better individuals, better parents and better citizens.

**Couples Fellowship** – provide a forum for couples to be introduced to, and develop new friendships and builds strong relationships with couples of all ages through special events. The institution of marriage is important to Developer the community, and therefore provides educational, counseling, and social help to young couples in order to strengthen that important bond.

**Youth and Young Adult Ministry** – provide a forum for young adults to receive instruction in morals, good character, and life skills. The Developer believes it is important to reach out to the youth and young adults so that they may be encouraged and empowered with the skills they need to change the world for the better.

The foregoing are examples of the types of community services currently provided by the Developer. As is appropriate in connection with the Developer's mission, the Developer may from time to time modify or expand the foregoing or substitute alternative community services in lieu of the foregoing, and the Developer will not be in default of this Agreement so long as throughout the term of this Agreement the Developer annually provides community services to (in the aggregate) at least 1,000 Houston residents.