

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

AFTER RECORDING RETURN TO:

PATTON BOGGS LLP  
2001 Ross Avenue, Suite 3000  
Dallas, Texas 75201  
Attn: Eric W. Kimball, Esq.

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08/01/05

\$23.00 Deed

FIRST AMENDMENT TO DEED RESTRICTIONS  
AND CDBG CONTRACT

This First Amendment to Deed Restrictions and CDBG Contract (this "Amendment") is entered into this 29<sup>th</sup> day of July, 2005, by SOCO URBAN LOFT CONDOMINIUMS, LTD., a Texas limited partnership ("Owner"), 1122 JACKSON STREET, LTD., a Texas limited partnership ("1122 Jackson Street") and the CITY OF DALLAS, a municipal corporation ("Beneficiary").

RECITALS

A. Pursuant to the (i) Community Development Block Grant Funded Secured Renovation Loan Contract entered into between Beneficiary and 1122 Jackson Street, Ltd., dated December 5, 1997 (as amended, the "Contract") and (ii) the Deed Restrictions executed by 1122 Jackson Street in favor of Beneficiary (as amended, "Deed Restrictions") recorded in Book 97236, Page 4143 of the Real Property Records of Dallas County, Texas, 1122 Jackson Street agreed to make available for rental certain units at the real property known as 1122 Jackson Street, Dallas, Dallas County, Texas (being more particularly described on Exhibit A attached hereto ("Project")) at affordable rental levels, all as more particularly set forth in the Contract and the Deed Restrictions (such affordability limitations being collectively, the "Affordability Restrictions");

B. 1122 Jackson Street has conveyed, or will convey contemporaneously with the execution hereof, all of its right, title and interest in the Project to Owner;

C. Following the conveyance, Owner desires to obtain certain financing (the "Loan") from CapitalSource Finance LLC, a Delaware limited liability company (together with its successors and assigns, "First Mortgagee"), which loan will be secured by a deed of trust and security agreement to be recorded in the Real Property Records of Dallas County, Texas (the "Mortgage") that must constitute a first-priority lien on the Project; and

D. To induce First Mortgagee to make the Loan, First Mortgagee has required certain modifications to the Deed Restrictions, the Contract and the Affordability Restrictions, and Owner, 1122 Jackson Street and Beneficiary have agreed to make those modifications as set forth in this Amendment.

AGREEMENT

NOW THEREFORE, for and in consideration of the payment of \$10 and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the parties hereto, the parties hereto agree as follows:

1. Definitions. Capitalized terms used herein, and not otherwise defined, shall have the meaning given to them in the Deed Restrictions. The parties agree that the recitals of this Amendment are true and correct.

2. Amendments. The Deed Restrictions and the Contract shall be, and are hereby, amended to provide as follows:

(a) If the Project is made subject to a condominium declaration, it is agreed that the term "Rental Unit" as used in the Deed Restrictions shall be deemed to mean "Unit" as that term may be defined in said declaration.

(b) Paragraph 5 of the Deed Restrictions is hereby amended and restated, in its entirety, with the following:

Subordination. Notwithstanding anything in this Agreement, the CDBG Contract or otherwise to the contrary or in conflict hereof, this Agreement and the CDBG Contract and all rights arising in connection herewith or therewith shall be, and are hereby made, subject, inferior and subordinate to any deed of trust now or hereafter granted in favor of Mortgagee. This provision is acknowledged to be self-operative and no further instrument shall be required to effect such subordination of this Agreement and the CDBG Contract.

(c) The following defined term shall be added as Paragraph 1(e) to the Deed Restrictions:

"Mortgagee" means CapitalSource Finance LLC and any of its successors and assigns, including anyone who shall have succeeded to such mortgagee's interest in and to all or part of the Property by, through or under foreclosure or sale under any power or other proceedings brought pursuant to any deed of trust or mortgage made in favor of such mortgagee, or deed in lieu of such foreclosure or proceedings, or otherwise.

(d) The definition of "First Lien Loan" in the Contract is hereby amended and restated, in its entirety, as follows:

"First Lien Loan" means that certain loan to be made by CapitalSource Finance LLC, a Delaware limited liability company and its successors and assigns (collectively, "First Lien Lender") pursuant to a loan agreement, deed of trust and security agreement and other documents evidencing and securing such loan, together with all amendments and modifications thereof.

3. Other Agreements. Notwithstanding anything in the Deed Restrictions, the Contract or otherwise to the contrary or in conflict hereof, it is agreed that, upon Beneficiary's receipt of a payment of \$1,600,000 to be applied to the outstanding loan obligations owing to Beneficiary in connection with the Project, each of the Affordability Restrictions, the Contract and the Deed Restrictions shall automatically terminate, expire, and be of no further force and effect, in which event the Affordability Restrictions, the Contract and the Deed Restrictions shall no longer encumber the Project. This provision is acknowledged to be self-operative and no further instrument shall be required to effect such termination and removal of the Contract, Deed Restrictions and Affordability Restrictions, *provided* that, upon the request of First Mortgagee or Owner, Beneficiary agrees to within five business days execute such further instruments for recordation to evidence said termination as such person may request.

4. Conflict. To the extent that there is any conflict between the terms of (i) the Deed Restrictions, the Contract and/or the Affordability Restrictions and (ii) this Amendment, the terms and provisions of this Amendment shall control and govern exclusively.

5. Counterparts. This Amendment may be executed in counterparts which shall be construed together as one instrument.

6. Governing Law. This Amendment shall be governed by and construed in accordance with the laws of the State of Texas.

7. Miscellaneous. All of the terms of this Amendment shall apply to, be binding upon and inure to the benefit of the parties thereto, their respective successors, assigns, heirs and legal representatives and all other persons claiming by, through or under them. Neither the Contract, the Deed Restrictions nor the Affordability Restrictions, as each has been amended hereby, may be further amended without the express, prior written consent of First Mortgagee. If any provision of this Amendment or the application thereof to any person or circumstance shall, for any reason and to any extent, be invalid or unenforceable, neither the remainder of the instrument in which such provision is contained nor the application of such provision to other persons or circumstances or other instruments referred to hereinabove shall be affected thereby, but rather, the same shall be enforced to the greatest extent permitted by law.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, this Amendment has been executed by the parties below effective as of the day and year first above written.

**OWNER:**

**SOCO URBAN LOFT  
CONDOMINIUMS, LTD.,**  
a Texas limited partnership

By: SoCo Urban Lofts, Inc.,  
its general partner

By: *Stephen H. Kanoff*  
Stephen H. Kanoff, Vice President

**1122 JACKSON STREET:**

**1122 JACKSON STREET, LTD.,**  
a Texas limited partnership

By: Simple Complex Investments  
(Texas), Inc.,  
its general partner

By: *Stephen H. Kanoff*  
Stephen H. Kanoff, President

**BENEFICIARY:**

**CITY OF DALLAS,** a municipal  
corporation

**APPROVED AS TO FORM:**

*Thomas P. Perkins, Jr., City Attorney*

By: *Bryan Scott Evans*  
Name: Bryan Scott Evans  
Title: Assistant City Manager

By: *J. Scott Anderson*  
Assistant City Attorney

**RECOMMENDED BY:**

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

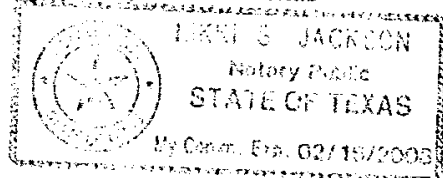
STATE OF TEXAS §  
COUNTY OF DALLAS §

This instrument was acknowledged before me on July 29, 2005, by Stephen H. Kanoff, Vice President of SoCo Urban Lofts, Inc., a Texas corporation, in its capacity as general partner of SoCo Urban Loft Condominiums, Ltd., a Texas limited partnership, on behalf of said corporation.

[SEAL]

  
Notary Public, State of Texas

STATE OF TEXAS §  
COUNTY OF DALLAS §

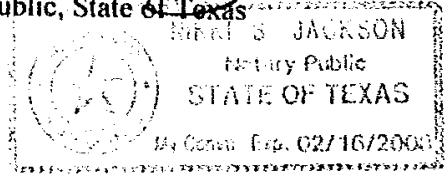


This instrument was acknowledged before me on July 29, 2005, by Stephen H. Kanoff, President of Simple Complex Investments (texas), Inc., a Texas corporation, in its capacity as general partner of 1122 Jackson Street, Ltd., a Texas limited partnership, on behalf of said corporation.

[SEAL]

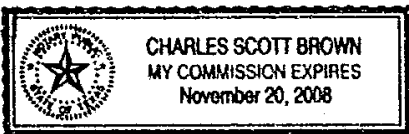
  
Notary Public, State of Texas

STATE OF TEXAS §  
COUNTY OF DALLAS §



This instrument was acknowledged before me on July 29, 2005, by Ryan S. Evans, Asst City Mgr of the City of Dallas, a municipal corporation, on behalf of said corporation.

[SEAL]



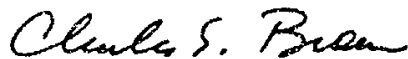
  
Notary Public, State of Texas

EXHIBIT A

LEGAL DESCRIPTION

All Units in SoCo Urban Loft Condominiums, a condominium created pursuant to Condominium Declaration dated July 29, 2005, recorded in the Real Property Records of Dallas County, Texas, as Instrument File Number 3452486, together with all Limited Common Elements appurtenant to the Units and all undivided percentage interests in and to the Common Elements as described in the declaration, and encompassing the same land as described below:

TRACT 1: (Fee Tract);

BEING a 0.9844 acre tract of land situated in the John Grigsby Survey, Abstract No. 495, Dallas County, Texas, also being Lot 1, Block A/64, of ELEVEN TWENTY-TWO JACKSON STREET, an Addition to the City of Dallas, Dallas County, Texas, according to the Correction Plat thereof recorded in Volume 98137, Page 66, of the Map Records, Dallas County, Texas, also being comprised of two tracts of land conveyed to 1122 Jackson Street, Ltd, by Special Warranty Deeds recorded in Volume 97236, Page 03990 and Volume 97236, Page 03997 of the Deed Records, Dallas County, Texas, and being more particularly described as follows:

COMMENCING at the intersection of the west line of S. Field Street (variable width public R.O.W.) with the north line of Wood Street (variable width public R.O.W.)

THENCE S75°17'45"W, along the said north line of Wood Street, a distance of 131.45 feet to a concrete nail found for the POINT OF BEGINNING; said concrete nail being the south end of that certain Boundary Line Agreement recorded in Volume 89215, Page 2853, Deed Records, Dallas County, Texas and being the southeast corner of said Lot 1;

THENCE S75°17'45"W, continuing along the said north line of Wood Street, a distance of 220.37 feet to a "X" cut set in concrete for corner, said "X" being the southwest corner of said Lot 1, and being the southeast corner of a tract of land described in deed to Terrapark Properties, recorded in Volume 91007, Page 0187, Deed Records, Dallas County, Texas;

THENCE N13°54'13"W, departing said north line of Wood Street, and along the west line of said Lot 1, a distance of 196.31 feet to a 60d nail found for corner, said 60d nail lying in the south line of Jackson Street (50' public R.O.W.) and being the northwest corner of said Lot 1;

THENCE N76°00'00"E, along the said south line of Jackson Street and the north line of said Lot 1, a distance of 219.56 feet to a P.K. nail set in concrete for corner, being the north end of the aforementioned Boundary Line Agreement, and the northeast corner of said Lot 1;

THENCE S14°08'10"E, departing said south line of Jackson Street, along the common boundary line established by said Boundary Line Agreement and the east line of said Lot 1, a distance of 193.60 feet to the POINT OF BEGINNING and containing 42,882 square feet or 0.9844 acres of land, more or less.

TRACT 2: (Private Licensehold Rights Tract);

BEING a 0.1125 acre (4,900 square feet) subterranean tract of land situated in the John Grigsby Survey, Abstract No. 495, Dallas County, Texas, lying beneath a portion of Jackson Street (50' public R.O.W.), said tract being described in Ordinance No. 23104, Licensing Agreement, recorded in Volume 97117, Page 3837, Deed Records, Dallas County, Texas, and being more particularly described as follows:

COMMENCING at a P.K. nail set for corner in the south line of Jackson Street (50' public R.O.W.), said nail being at the northeast corner of Lot 1, Block A/64 of ELEVEN TWENTY-TWO JACKSON STREET, an addition to the City of Dallas, Dallas County, Texas, according to the Correction Plat thereof recorded in Volume 98137, Page 66, Map Records, Dallas County, Texas and the north end of a Boundary Line Agreement described in deed recorded in Volume 89215, Page 2853, Dallas County, Texas;

THENCE S76°00'00"W, along said south line of Jackson Street and the north line of said Lot 1, a distance of 32.41 feet to the POINT OF BEGINNING; THENCE S76°00'00"W, continuing along said south line of Jackson Street and along the north line of said Lot 1, a distance of 98.00 feet;

THENCE N14°00'00"W, departing the north line of said Lot 1 and across said Jackson Street, a distance of 50.00 feet to the north line of said Jackson Street;

THENCE N76°00'00"E, along said north line of Jackson Street, a distance of 98.00 feet;

THENCE S14°00'00"E, across said Jackson Street, a distance of 50.00 feet to the POINT OF BEGINNING and containing 4,900 square feet or 0.1125 acres of land, more or less.

TRACT 3: (Private Licensehold Rights Tract);

BEING a 0.1480 acre (6,450 square feet) subterranean tract of land situated in the John Grigsby Survey, Abstract No. 495, Dallas County, Texas, lying beneath a portion of Wood Street (variable width public R.O.W.), said tract being described in Ordinance No. 23104, Licensing Agreement, recorded in Volume 97117, Page 3837, Deed Records, Dallas County, Texas, and being more particularly described as follows:

COMMENCING at a concrete nail found in concrete lying in the north line of Wood Street (variable width public R.O.W.) and at the south end of that certain Boundary Line Agreement recorded in Volume 89215, Page 2853, Deed Records, Dallas County, Texas, also being southeast corner of Lot 1, Block A/64 of ELEVEN TWENTY-TWO JACKSON STREET, an addition to the City of Dallas, Dallas County, Texas, according to the Correction Plat thereof recorded in Volume 98137, Page 66, Map Records, Dallas County, Texas:

THENCE S75°17'45"W, along the said north line of Wood Street and the south line of said Lot 1, a distance of 3.22 feet to the POINT OF BEGINNING;

THENCE S14°42'15"E, departing said north line of said Lot 1 and across said Wood Street, a distance of 50.00 feet to the south line of said Wood Street;

THENCE S75°17'45"W, along the south line of said Wood Street, a distance of 129.00 feet; THENCE N14°42'15"W, across said Wood Street, a distance of 50.00 feet to the said north line of Wood Street;

THENCE N75°17'45"E, along the said north line of Wood Street, a distance of 129.00 feet to the POINT OF BEGINNING and containing 6,450 square feet or 0.1480 acres of land, more or less.



DALLAS COUNTY CLERK  
DALLAS CO., TEXAS

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FILED AND RECORDED  
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