

Contract With Independent Contractor

1. Names

This agreement is between Southwest Housing Management, a Texas corporation (Client), and The Black State Employees Association of Texas CDC, Inc., a Texas corporation (Contractor).

2. Services to be Performed by Contractor

Program Management & Professional Consultant Services for the proposed Rosemont 250 unit multi-family housing project located at 9901 Scyene Road, Dallas, Texas: The BSEATCDC will operate in the capacity of the "Program Manager." The Program Manager will serve in the oversight capacity of the construction project (pre-construction and post-construction phases). The "Program Manager" will be responsible for the selection of the "Project Manager/Consultant" who will work directly with the construction project "General Contractor." The "Program Manager" will also inspect, evaluate, review and approve proposed site and construction plans including any and all revisions, area demographics, budget and cost projections and other project related details. Will assist and approve the establishment of a minority "good faith" effort contracting out reach initiative (goal of 40%+ participation); Advise and participate in the final approval/selection process relative to the project's contractors, as well as the post-construction property staffing and personnel needs. Market, advertise and solicit services from locally owned minority owned contractors/vendors. Monitor contractors compliance with minority "good faith" effort goals. Will continue to work closely with local city and state public/elected officials representing the designated (council/legislative) districts, community and business leaders, neighborhood and religious based organizations and others. Will attend scheduled business and community meeting/public hearings (in Austin, Texas 12-04 and/or 1-05). Will explore and encourage retail development options/opprtunities adjacent to and/or nearby the project site. Will provide other services as mutually agreed upon.

3. Time for Performance

Contractor will perform the services according to the following schedule:

Will continue "immediately" with project discussions and meetings (public officials, neighborhood market analysis, etc.) upon signing of this agreement.

Client will pay contractor \$125,000 total compensation through February 2005; \$15,000 non-refundable initial retainer fee; Balance of \$110,000 at the closing of the bonds; The BSEATCDC, Inc. will receive 7% of the General Partner's developer's fee, cash flow and residual value to be paid within two (2) days of receipt of the money by the General Partner of the Partnership/Ownership.

5. State and Federal Taxes

Client will not:

- withhold Social Security and Medicare taxes from Contractor's payments or make such tax payment on Contractor's behalf
- make state or federal unemployment contributions on Contractor's behalf, or
- withhold state or federal income tax from Contractor's payments.

Contractor will pay all applicable taxes related to the performance of services under this contract. This includes income, Social Security, Medicare and self-employment taxes. Contractor will also pay all unemployment contributions related to the performance of services under this contract. Contractor will reimburse Client if Client is required to pay such taxes or unemployment contributions.

6. Fringe Benefits

Neither Contractor nor Contractor's employees are eligible to participate in any employee pension, health, vacation pay, sick pay or other fringe benefit plan of Client.

7. Invoices

Contractor will submit invoices to Client for all services performed.

8. Independent Contractor Status

The parties intend Contractor to be an independent contractor in the performance of the services. Contractor will have the right to control and determine the methods and means of performing the contractual services.

9. Other Clients

Contractor retains the right to perform services for other clients.

10. Assistants

Contractor, at Contractor's expense, may employ assistants as Contractor deems appropriate to perform the contractual services. Contractor will be responsible for paying these assistants as well as any expense attributable to them including income, Social Security and Medicare taxes, and unemployment contributions. Contractor will maintain

workers' compensation insurance for all of its employees.

11. Equipment and Supplies

Contractor, at Contractor's expense, will provide all equipment, tools and supplies necessary to perform the contractual services.

12. Expenses

Contractor will be responsible for all expenses required for the performance of the contractual services, except for the following which will be paid for by Client: Air Travel, Hotel accommodations, Rental car, Meals, Entertainment, Gas allowance \$300 monthly, Sprint cellular telephone allowance \$700 monthly, Car allowance \$700 monthly.

13. Disputes

If a dispute arises, the parties will try in good faith to settle it through mediation conducted by American Arbitration Association.

The parties will share the costs of the mediator equally. Each party will cooperate fully and fairly with the mediator and will attempt to reach a mutually satisfactory compromise to the dispute. If the dispute is not resolved within 30 days after it is referred to the mediator, either party may take the matter to court.

14. Entire Agreement

This is the entire agreement between the parties. It replaces and supersedes any and all oral agreements between the parties, as well as any prior writings.

15. Successors and Assignees

This agreement binds and benefits the heirs, successors and assignees of the parties.

16. Notices

All notices must be in writing. A notice may be delivered to a party at the address that follows a party's signature or to a new address that a party designates in writing. A notice may be delivered:

- in person
- by certified mail, or
- by overnight courier.

17. Governing Law

This agreement will be governed by and construed in accordance with the laws of the state of Texas.

18. Counterparts

The parties may sign several identical counterparts of this agreement. Any fully signed counterpart shall be treated as an original.

19. Modification

This agreement may be modified only by a writing signed by the party against whom such modification is sought to be enforced.

20. Waiver

If one party waives any term or provision of this agreement at any time, that waiver will be effective only for the specific instance and specific purpose for which the waiver was given. If either party fails to exercise or delays exercising any of its rights or remedies under this agreement, that party retains the right to enforce that term or provision at a later time.

21. Severability

If any court determines that any provision of this agreement is invalid or unenforceable, any invalidity or unenforceability will affect only that provision and will not make any other provision of this agreement invalid or unenforceable and such provision shall be modified, amended or limited only to the extent necessary to render it valid and enforceable.

CLIENT

Southwest Housing Management and Affordable Housing Construc,
a Texas corporation
5910 N. Central Expressway
Suite 1145
Dallas, Texas 75206

Dated: _____

By: _____

Brian Potashnik
President

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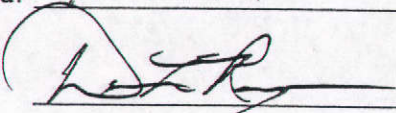
CONTRACTOR

The Black State Employees Association of Texas CDC, Inc.,
a Texas corporation
5801 Marvin D. Love Freeway
Suite 202
Dallas, Texas 75237

Dated:

10-14-04

By:



Darren L. Reagan
Chairman/CEO