

Fairbanks Area Partnership
File In Opposition
To

Rolling Creek Apartments

8038 Gatehouse

Houston, Harris County Texas 77040

TDHCA Application #05621

Bond ID #2005-039

October 26, 2005

TO: Ms. Robbye G. Meyer
Manager Multi-Family Finance
TDHCA
Waller Creek Office Bldg.
507 Sabine Street
Austin, TX 78701

FROM: Fairbanks Area Partnership
8310 Waynemer Way
Houston, TX 77040
premmers@houston.rr.com
713-937-0665
713-460-0788 Fax

RE: Proposed : TDHCA HTC project
Rolling Creek Apartments
8038 Gatehouse Dr.
Houston, Harris County, TX 77040
Application #05621

Funds Applied For: \$14.6 million in tax exempt bonds,
\$6 million in tax credits.

Developers: Cynosure Developers:
Mark T. Bower and Daniel R. Sereni

Dear Ms. Meyer,

Fairbanks Area Partnership (FAP) is a grass roots organization representing 10 subdivisions in close proximity to the proposed Rolling Creek Apartments. After extensive research, FAP is opposing the issuance of Housing Tax Credits and Tax Exempt Multi-Family Bonds for the proposed Rolling Creek Apartments at 8038 Gatehouse, Houston, Harris County, Texas 77040.

Our opposition to the application is as follows:

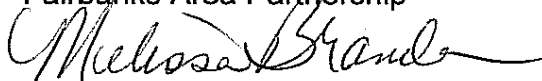
- The developers own market study states this is not the best use of the property. In actual fact the Apartment Data Services historical data shows


- 80.1% occupancy rate for this area. 19.9% vacancy rate makes any new construction questionable. Historical data shows a reduction in rental rates over the past 5 years. To achieve above average occupancy many properties resort to reduced rates and rental specials. A secondary analysis of the developer owner's market study further reinforces these facts.
- The location is in an already over-built market with 150 plus apartment properties within 5.4 miles.
- Cynosure has never developed an HTC property to have a compliance history. The principles of Cynosure have a history in other endeavors of bankruptcies, federal tax liens, and a forfeiture of corporate charter. Their first TDHCA application was withdrawn due to compliance issues.
- This area is already over-built with multi-family properties with a vacancy rate of 19.9%. A desk review of the developer market study indicates that 93% of proposed tenants would have to come from existing properties in the PMA. The financial feasibility of this development is questionable.
- Of the 39 comparable properties in the developer owner's market study over 50% have lower rental rates than the posted rates for the proposed Rolling Creek Apartments. In addition, there are 3 other HTC properties in the PMA and 2 tax exempt (X9) low-moderate income properties that accept all vouchers from HUD and pay no property taxes.
- Cynosure's market study shows convenience stores as grocery stores, show non-existent restaurants, public transportation when in fact it is miles away. Distances to other services are as the crow flies and no direct route is available making the services up to 50% farther.
- Nearby schools are already over-crowded and have many portable buildings.
- No zoning exists in Harris County. Every public official who has responded voiced opposition.
- There are 3 HTC properties and 2 tax exempt (X9) low-moderate income properties in the PMA.
- Flood home buy outs and repairs exceed \$150,000,000 in the 77040 zip code from 1998 – 2005.
- The site has a history of petroleum dumping and is contaminated with asbestos.
- Public records indicate the developers have not exercised good financial judgement. Financial records submitted to TDHCA vary greatly from those submitted into public record two weeks prior. Public records also show federal tax liens and bankruptcies.
- Mr. Bower states that according to a traffic study, Rolling Creek's impact on traffic would be "negligible". However, a request for a copy of this traffic study has received the response "the study has not been completed". Harris County has not conducted a traffic study of Fairbanks N Houston Rd. this year.


In conclusion, FAP believes that to approve this application does not show good stewardship of the use of available funds for affordable housing. We respectfully request you deny this application.

Sincerely,


Jackie Remmers, Chairwoman
Fairbanks Area Partnership


Melissa Brandon, Co-Chairwoman
Fairbanks Area Partnership


Charles E. Jackson, Research Director
Fairbanks Area Partnership



Suzanne M. Saur, Co-Research Director
Fairbanks Area Partnership

Enclosures

CC:

Ms. Elizabeth "Beth" Anderson
Mr. Shadrick Bogany
Mr. C. Kent Conine
Mr. Vidal Gonzalez,
Mr. Patrick R. Gordon,
Mr. Norberto Salinas
Congressman John Culberson
Governor Rick Perry
Lt. Governor David Dewhurst
Speaker Tom Craddick
Senator Jon Lindsay
Senator John Whitmire
Representative Gary Elkins
Representative Joe Nixon
Representative Peggy Hamric
Representative Corbin Van Arsdale
Harris County Judge Robert Eckels
Commissioner Jerry Eversole
Superintendent Dr. David Anthony

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Representative Corbin Van Arsdale
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Market Study

The Primary Market area as described in the Cynosure Market Study is over built in all phases of multifamily units. This has led to relatively low occupancy rates and low rental rates.

1. A survey by Apartment Data Services dated September 20, 2005 shows 80.4% occupancy in the PMA. Attached as **Exhibit "A"** is a true and correct copy of the survey.
2. A MAPQUEST search for apartments near the proposed Rolling Creek Apartments reveals 150+ apartment properties within 5.4 miles. Attached as **Exhibit "B"** is a true and correct copy of the MAPQUEST search for Apartments near Gatehouse Dr.
3. Research has identified 5 other properties operating for low-moderate Income families as defined in our Proximity to Rolling Creek Section.
4. Cynosure's Market Study shows proposed rental rates at \$0.77 per foot. The ADS survey reveals historic rental rates per square foot of \$0.689 to \$0.663. The current rental rate is \$0.663. It seems the area has affordable housing.
5. Cynosure's Market Study takes 100% of available rental area for its calculations and shows -7.5% for vacancy and collection. This apparently assumes a 92.5% occupancy rate while the ADS survey shows historical effective occupancy rates for the area at 87.3% to 80% with current rates at 80.4%. How will Rolling Creek attract 12% higher occupancy while charging higher effective rental rates?
6. Cynosure's Market study states that multifamily development of the vacant property is not the Best and Highest use of the property, because of historically low rental rates and low occupancy rates, unless multifamily development is subsidized

This application should be denied because the need for additional housing does not exist and is not financially feasible.

EXHIBIT "A"

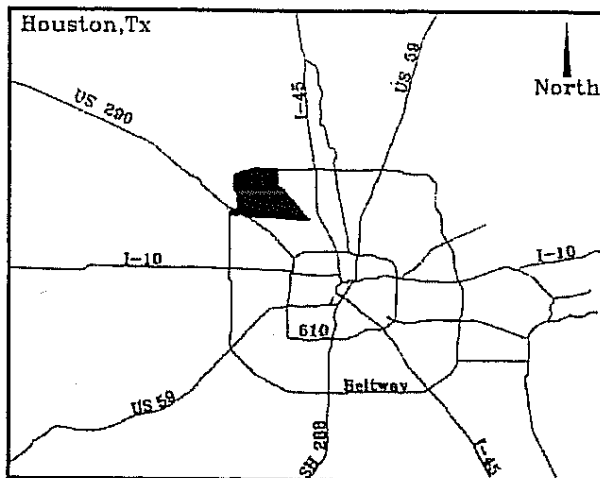
**Apartment Data Services
Survey of PMA**



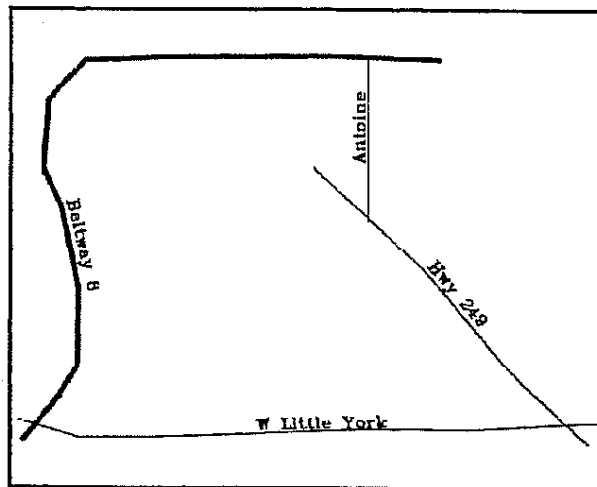
Inwood/ Northwest
Houston, Tx
September 20, 2005

Prepared by:
Tim Treadway
Gerald A Teel Co
974 Campbell #204
Houston, TX 77024
713/467-5858

Inwood/ Northwest
Market-TRAC - September 20, 2005 - Houston, Tx



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Market Summary: This table shows the general statistics for the market. The prices and rental rates are displayed as effective - net of concessions and electric utility adjustments.

# of Operating Communities	34
# of Operating Units	6,479
Avg Units/Community	191
Avg Size (sf)	869
Avg Price (\$/mo)	576
Avg Rental Rate (¢/sf/mo)	66.3
Avg Occupancy	80.4%

Occupancy & Rental Rate Trends: This table shows the occupancy and rental rate trends that have occurred over the last 3, 6 and 12 months. These trends are expressed in annualized terms.

Occupancy:	Last 3 months	2.4%
	Last 6 months	3.2%
	Last 12 months	-6.9%
Rental Rates:	Last 3 months	-2.0%
	Last 6 months	2.1%
	Last 12 months	-0.7%

Absorption: This table shows the absorption (change in the number of occupied units) for the market on a quarterly basis. The table displays the number of units absorbed as well as the percentage of units absorbed in relation to the total number of units in the market. (* indicates partial quarter)

7/05 to 8/05*	Units absorbed	13
	% of market	0.20%
4/05 to 6/05	Units absorbed	36
	% of market	0.56%
1/05 to 3/05	Units absorbed	-16
	% of market	-0.26%
10/04 to 12/04	Units absorbed	-66
	% of market	-1.07%

Construction: This table shows the new construction that has occurred in the market. The average year of construction is calculated based on the number of communities and the number of units in the market.

Units built in 2000 or after	1,424
% of market	22.0%
Avg YOC/communities	1986
Avg YOC/units	1987

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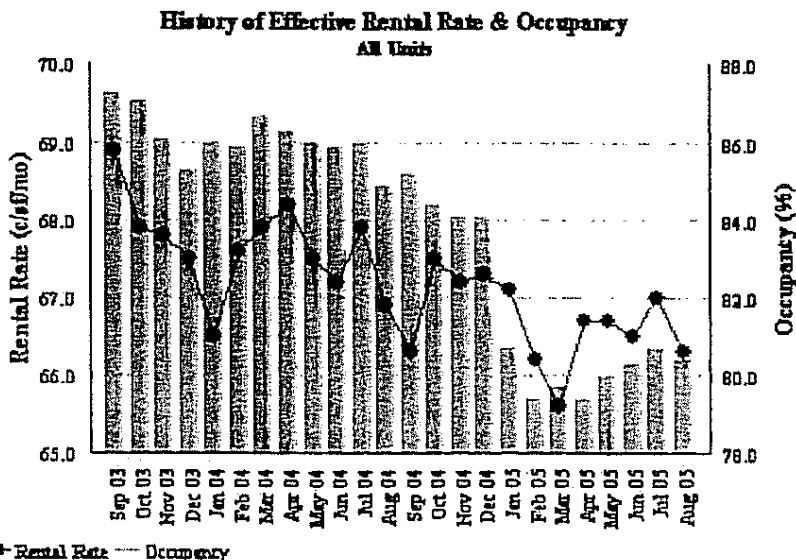
Deposits/Rental Concessions: This table shows the deposits and rental concessions for the market. Three types of concessions are tracked: move-in specials, months free specials and floorplan specific specials.

Avg Security Deposit	\$210
Avg Pet Deposit	\$313
# of communities with:	
Move-in Specials	9
Months Free Specials	7
Floorplan Specials	12

Floorplans (ALL): This table shows statistics for ALL the units in the market. Along with the totals, the table displays the information by Class (A,B,C and D). Prices and rental rates are displayed as effective - net of concessions and electric utility adjustments.

	Total	Class A	Class B	Class C	Class D
# of Communities	34	7	22	5	-
# of Units	6,479	1,668	4,148	663	-
Avg Size (sf)	869	928	855	804	-
Avg Price (\$/mo)	576	726	540	428	-
Avg Rental Rate (¢/sf/mo)	66.3	78.2	63.1	53.3	-
Occupancy	80.4%	87.5%	77.2%	82.5%	-

Date	Units	Price	Rate	Occ%	Absorbed
Sep 03	6,154	584	68.9	87.3	
Oct 03	6,154	576	67.9	87.1	-12
Nov 03	6,154	575	67.8	86.1	-62
Dec 03	6,154	572	67.5	85.3	-49
Jan 04	6,154	564	66.5	86.0	43
Feb 04	6,154	573	67.6	85.9	-6
Mar 04	6,154	576	67.9	86.7	49
Apr 04	6,154	578	68.2	86.3	-25
May 04	6,154	572	67.5	86.0	-18
Jun 04	6,154	570	67.2	85.9	-6
Jul 04	6,154	576	67.9	86.0	6
Aug 04	6,154	567	66.9	84.9	-68
Sep 04	6,154	562	66.3	85.2	18
Oct 04	6,154	572	67.5	84.4	-48
Nov 04	6,154	570	67.2	84.1	-18
Dec 04	6,154	571	67.3	84.1	0
Jan 05	6,477	583	67.1	80.7	49
Feb 05	6,477	575	66.2	79.4	-84
Mar 05	6,477	569	65.6	79.7	19
Apr 05	6,477	580	66.7	79.4	-22
May 05	6,477	580	66.7	80.0	39
Jun 05	6,477	578	66.5	80.3	19
Jul 05	6,477	582	67.0	80.7	31
Aug 05	6,479	576	66.3	80.4	-18

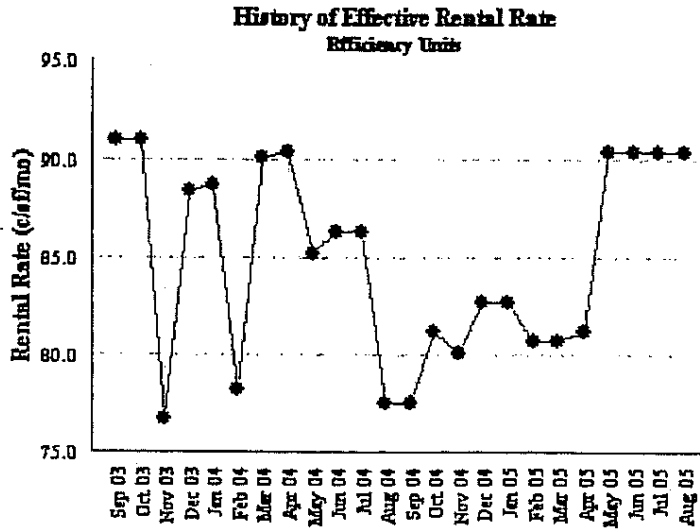


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Floorplans (Efficiencies): This table shows statistics for the EFFICIENCY units in the market. Along with the totals, the table displays the information by Class (A,B,C and D). Prices and rental rates are displayed as effective - net of concessions and electric utility adjustments.

	<u>Total</u>	<u>Class A</u>	<u>Class B</u>	<u>Class C</u>	<u>Class D</u>
# of Communities	2	1	1	-	-
# of Units	48	32	16	-	-
Avg Size (sf)	467	476	450	-	-
Avg Price (\$/mo)	422	430	406	-	-
Avg Rental Rate (¢/sf/mo)	90.3	90.3	90.2	-	-

Date	Units	Price	Rate
Sep 03	48	425	91.0
Oct 03	48	425	91.0
Nov 03	48	358	76.7
Dec 03	48	413	88.4
Jan 04	48	414	88.7
Feb 04	48	365	78.2
Mar 04	48	421	90.1
Apr 04	48	422	90.4
May 04	48	398	85.2
Jun 04	48	403	86.3
Jul 04	48	403	86.3
Aug 04	48	362	77.5
Sep 04	48	362	77.5
Oct 04	48	379	81.2
Nov 04	48	374	80.1
Dec 04	48	386	82.7
Jan 05	48	386	82.7
Feb 05	48	377	80.7
Mar 05	48	377	80.7
Apr 05	48	379	81.2
May 05	48	422	90.4
Jun 05	48	422	90.4
Jul 05	48	422	90.4
Aug 05	48	422	90.4

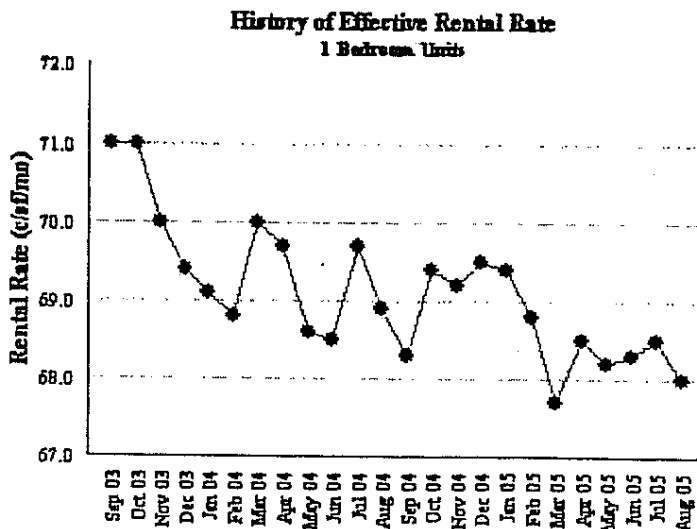


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Floorplan (1-Bedroom): This table shows statistics for the 1 BEDROOM units in the market. Along with the totals, the table displays the information by Class (A,B,C and D). Prices and rental rates are displayed as effective - net of concessions and electric utility adjustments.

	<u>Total</u>	<u>Class A</u>	<u>Class B</u>	<u>Class C</u>	<u>Class D</u>
# of Communities	28	6	18	4	-
# of Units	2,889	548	1,961	380	-
Avg Size (sf)	682	707	683	644	-
Avg Price (\$/mo)	464	607	444	361	-
Avg Rental Rate (¢/sf/mo)	68.0	85.9	65.0	56.0	-

Date	Units	Price	Rate
Sep 03	2,774	475	71.0
Oct 03	2,774	475	71.0
Nov 03	2,774	468	70.0
Dec 03	2,774	464	69.4
Jan 04	2,774	462	69.1
Feb 04	2,774	460	68.8
Mar 04	2,774	468	70.0
Apr 04	2,774	466	69.7
May 04	2,774	459	68.6
Jun 04	2,774	458	68.5
Jul 04	2,774	466	69.7
Aug 04	2,774	461	68.9
Sep 04	2,774	457	68.3
Oct 04	2,774	464	69.4
Nov 04	2,774	463	69.2
Dec 04	2,774	465	69.5
Jan 05	2,889	473	69.4
Feb 05	2,889	469	68.8
Mar 05	2,889	462	67.7
Apr 05	2,889	467	68.5
May 05	2,889	465	68.2
Jun 05	2,889	466	68.3
Jul 05	2,889	467	68.5
Aug 05	2,889	464	68.0

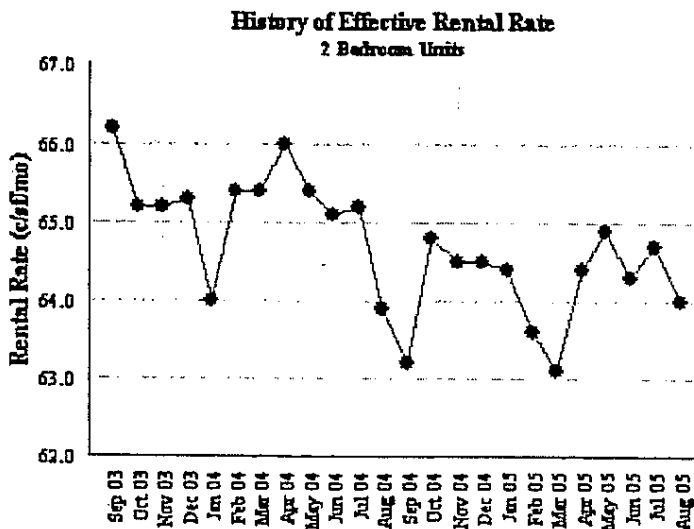


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Floorplans - 2-Bedrooms: This table shows statistics for the 2 BEDROOM units in the market. Along with the totals, the table displays the information by Class (A,B,C and D). Prices and rental rates are displayed as effective - net of concessions and electric utility adjustments.

	<u>Total</u>	<u>Class A</u>	<u>Class B</u>	<u>Class C</u>	<u>Class D</u>
# of Communities	34	7	22	5	-
# of Units	2,929	834	1,819	276	-
Avg Size (sf)	1,000	1,015	992	1,011	-
Avg Price (\$/mo)	640	761	603	521	-
Avg Rental Rate (¢/sf/mo)	64.0	75.0	60.8	51.5	-

Date	Units	Price	Rate
Sep 03	2,767	649	66.2
Oct 03	2,767	640	65.2
Nov 03	2,767	640	65.2
Dec 03	2,767	641	65.3
Jan 04	2,767	628	64.0
Feb 04	2,767	642	65.4
Mar 04	2,767	642	65.4
Apr 04	2,767	647	66.0
May 04	2,767	642	65.4
Jun 04	2,767	639	65.1
Jul 04	2,767	640	65.2
Aug 04	2,767	627	63.9
Sep 04	2,767	620	63.2
Oct 04	2,767	636	64.8
Nov 04	2,767	633	64.5
Dec 04	2,767	633	64.5
Jan 05	2,927	644	64.4
Feb 05	2,927	636	63.6
Mar 05	2,927	631	63.1
Apr 05	2,927	644	64.4
May 05	2,927	649	64.9
Jun 05	2,927	643	64.3
Jul 05	2,927	647	64.7
Aug 05	2,929	640	64.0

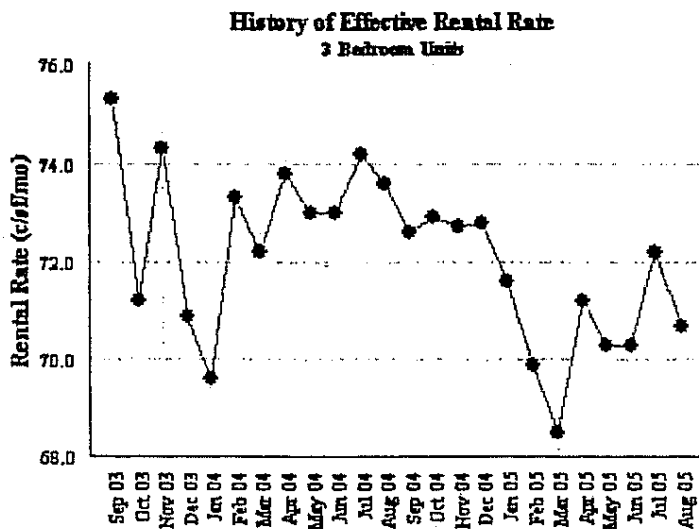


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Floorplans (3-Bedrooms): This table shows statistics for the 3 BEDROOM units in the market. Along with the totals, the table displays the information by Class (A,B,C and D). Prices and rental rates are displayed as effective - net of concessions and electric utility adjustments.

	<u>Total</u>	<u>Class A</u>	<u>Class B</u>	<u>Class C</u>	<u>Class D</u>
# of Communities	12	5	6	1	-
# of Units	569	254	308	7	-
Avg Size (sf)	1,158	1,178	1,139	1,301	-
Avg Price (\$/mo)	819	901	761	420	-
Avg Rental Rate (¢/sf/mo)	70.7	76.4	66.8	32.3	-

Date	Units	Price	Rate
Sep 03	521	839	75.3
Oct 03	521	793	71.2
Nov 03	521	828	74.3
Dec 03	521	790	70.9
Jan 04	521	775	69.6
Feb 04	521	817	73.3
Mar 04	521	804	72.2
Apr 04	521	822	73.8
May 04	521	813	73.0
Jun 04	521	813	73.0
Jul 04	521	827	74.2
Aug 04	521	820	73.6
Sep 04	521	809	72.6
Oct 04	521	812	72.9
Nov 04	521	810	72.7
Dec 04	521	811	72.8
Jan 05	569	830	71.6
Feb 05	569	810	69.9
Mar 05	569	794	68.5
Apr 05	569	825	71.2
May 05	569	815	70.3
Jun 05	569	815	70.3
Jul 05	569	837	72.2
Aug 05	569	819	70.7



PARK AT WOODWIND LAKES
 14333 PHILIPPINE ST
 HOUSTON TX 77040
 (713) 466-9996

MAP: 409-M
 SCHOOL DIST: SISD
 CENSUS TRACT: *21500 10000*
 # UNITS: 144 *MARKET*
 YR BLT/RENO: 2002 *SC 70*
 OCCUPANCY: 96 *SC 70*
 COUNTY: HARRIS
 ELECTRIC: RESIDENTIAL *LL APID WATER/SEWER*
 APP FEE: \$35

MGT CO: TRAMMELL CROW RESIDENTIAL
 LSE TERM: 6-12
 PARKING:
 PETS: <25#/\$300 (150 NR)

AMENITIES:			
<input checked="" type="checkbox"/> Pools (1)	<input checked="" type="checkbox"/> BBQ Grill	<input type="checkbox"/> Self-Clean Oven	<input checked="" type="checkbox"/> Ceiling Fan
<input checked="" type="checkbox"/> Laundry (1)	<input checked="" type="checkbox"/> Playground	<input type="checkbox"/> Cont-Clean Oven	<input checked="" type="checkbox"/> Patio/Balcony
<input type="checkbox"/> Tennis	<input checked="" type="checkbox"/> Fitness Center	<input type="checkbox"/> Double Oven	<input type="checkbox"/> Extra Storage
<input type="checkbox"/> Water V-ball	<input checked="" type="checkbox"/> Jogging Trail	<input checked="" type="checkbox"/> F.F. Refrig	<input type="checkbox"/> Linen Closet
<input type="checkbox"/> Volleyball	<input checked="" type="checkbox"/> Soc Activities	<input checked="" type="checkbox"/> Ice Maker	<input checked="" type="checkbox"/> Mini-Blinds
<input type="checkbox"/> Basketball	<input checked="" type="checkbox"/> Access Gates	<input checked="" type="checkbox"/> Dishwasher	<input checked="" type="checkbox"/> Private Alarms
<input type="checkbox"/> Racquetball	<input checked="" type="checkbox"/> On-Site Mgmt	<input checked="" type="checkbox"/> Disposal	<input type="checkbox"/> Vaulted Cell
<input type="checkbox"/> Jacuzzi	<input checked="" type="checkbox"/> Courtesy Patrol	<input checked="" type="checkbox"/> Microwave	<input type="checkbox"/> Vanity
<input type="checkbox"/> Sauna	<input type="checkbox"/> Road Service	<input checked="" type="checkbox"/> Pantry	<input checked="" type="checkbox"/> Walk-In Closet
<input checked="" type="checkbox"/> Clubhouse	<input checked="" type="checkbox"/> Corporates		<input type="checkbox"/> Wall-Wall Crpt

Historical Report
 Including 5-Year
 Historical Charts

NOTES: W/D Rental +\$35/mo.

UNIT INFORMATION

MIX	DESCRIPTION	W/D	FP	SQ. FEET	MO. RENT	DPST	\$/SF	ANNUAL INCOME
26	1/1	FC		661	513- 675	100	0.90	185,328
72	2/2.5 Townhome	FC		1048	614- 921	100	0.73	663,120
46	3/2.5 Townhome	FC		1191	706-1058	100	0.74	486,864
144	TOTALS			147,428	111,276			1,335,312
	AVERAGES			1,023	772		0.75	

SPECIALS:

Information obtained from sources deemed reliable, but is not guaranteed.
 ALN Systems, Inc. • 972/931-2553 or 800/643-6416 • www.alnsystems.com

SUGAR CREEK
 11501 WEST RD
 HOUSTON TX 77065
 (281) 970-1773

MAP: 409-B
 SCHOOL DIST: CY FA
 CENSUS TRACT: *212 607*
 # UNITS: 240
 YR BLT/RENO: 2002
 OCCUPANCY: 96
 COUNTY: HARRIS
 ELECTRIC: COMMERCIAL ELECTRIC
 APP FEE: \$35

MGT CO: ORION REAL ESTATE SERVICES
 LSE TERM: 12
 PARKING: OPEN/ATT&DET.GAR.
 PETS: <20#/\$300 (100 NR)

Tenant Paid Water/Sewer

AMENITIES:			
<input checked="" type="checkbox"/> Pools (1)	<input type="checkbox"/> BBQ Grill	<input type="checkbox"/> Self-Clean Oven	<input checked="" type="checkbox"/> Ceiling Fan
<input checked="" type="checkbox"/> Laundry (1)	<input checked="" type="checkbox"/> Playground	<input type="checkbox"/> Cont-Clean Oven	<input checked="" type="checkbox"/> Patio/Balcony
<input type="checkbox"/> Tennis	<input checked="" type="checkbox"/> Fitness Center	<input type="checkbox"/> Double Oven	<input type="checkbox"/> Extra Storage
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<input type="checkbox"/> Basketball	<input checked="" type="checkbox"/> Access Gates	<input checked="" type="checkbox"/> Dishwasher	<input type="checkbox"/> Private Alarms
<input type="checkbox"/> Racquetball	<input checked="" type="checkbox"/> On-Site Mgmt	<input checked="" type="checkbox"/> Disposal	<input type="checkbox"/> Vaulted Cell
<input type="checkbox"/> Jacuzzi	<input type="checkbox"/> Courtesy Patrol	<input checked="" type="checkbox"/> Microwave	<input type="checkbox"/> Vanity
<input type="checkbox"/> Sauna	<input type="checkbox"/> Road Service	<input checked="" type="checkbox"/> Pantry	<input checked="" type="checkbox"/> Walk-In Closet
<input type="checkbox"/> Clubhouse	<input type="checkbox"/> Corporates		<input checked="" type="checkbox"/> Wall-Wall Crpt

Historical Report
 Including 5-Year
 Historical Charts

NOTES: Business center, computer learning center. 24hr laundry center. Activity & arts and craft center. Pre wired alarms

UNIT INFORMATION

MIX	DESCRIPTION	W/D	FP	SQ. FEET	MO. RENT	DPST	\$/SF	ANNUAL INCOME
80	1/1	FC		680	613	100	0.90	588,480
56	2/2	FC		957	731	300	0.76	491,232
64	2/2	FC		975	731	300	0.75	561,408
40	3/2	FC		1140	838	400	0.74	402,240
240	TOTALS			215,992	170,280			2,043,360
	AVERAGES			899	709		0.79	

SPECIALS:

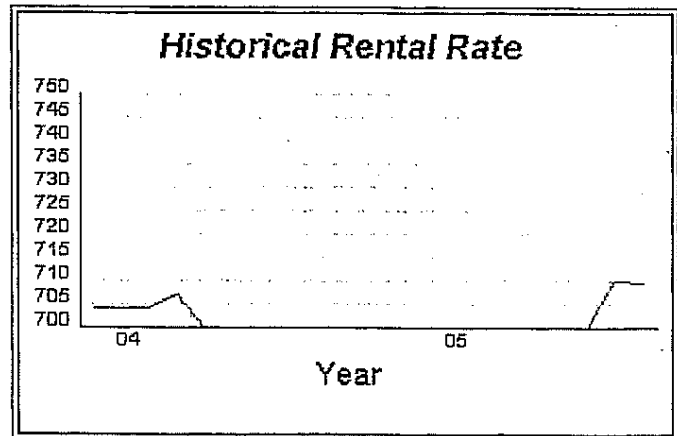
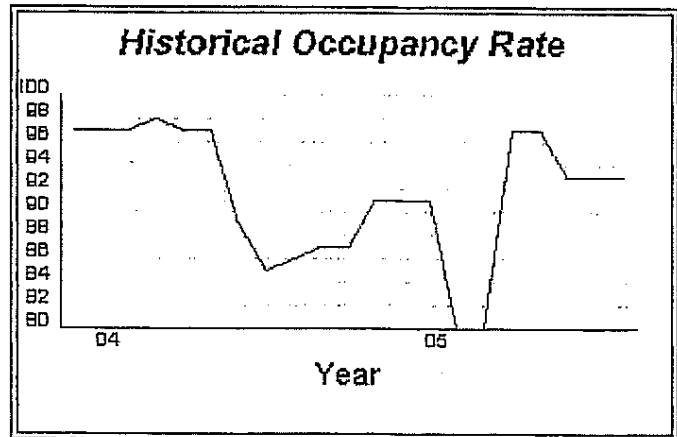
Information obtained from sources deemed reliable, but is not guaranteed.
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HISTORY REPORT FOR SUGAR CREEK

Month	Ave. Rent	Occupancy		Month	Ave. Rent	Occupancy
Jul 05	709.50	n/a		Jan 05	699.83	91.0
Jun 05	699.83	93.0		Dec 04	699.83	91.0
May 05	699.83	97.0		Nov 04	699.83	91.0
Apr 05	699.83	97.0		Oct 04	699.83	87.0
Mar 05	699.83	80.0		Sep 04	699.83	87.0
Feb 05	699.83	80.0		Aug 04	699.83	86.0

SPECIALS/CONCESSIONS

- Jul 05: 1/2 Deposit w/Approved Credit; \$200 Off 1st Mo.
- Jun 05: 1/2 Deposit w/Approved Credit; 1st Mo. Free w/Approved Credit 12 Mo Ls.
- May 05: 1/2 Deposit w/Approved Credit; \$200 1st Mo. Rent w/Approved Credit.
- Apr 05: \$85 Deposit + \$565/mo. 1Brs.
- Mar 05: \$85 Deposit + \$565/mo. 1Brs.
- Feb 05: \$85 Deposit + \$565/mo. 1Brs.
- Jan 05: \$85 Deposit + \$565/mo. 1Brs.
- Dec 04: \$85 Deposit + \$565/mo. 1Brs.
- Nov 04: No Deposit + \$565/mo. 1Brs.
- Oct 04: 6wks Free 1Brs or \$565/mo.
- Sep 04: 6wks Free 1Brs or \$565/mo.
- Aug 04: 6wks Free 1Brs or \$565/mo.



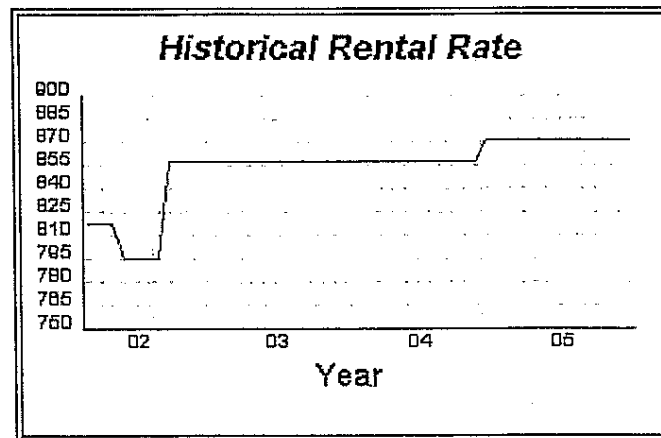
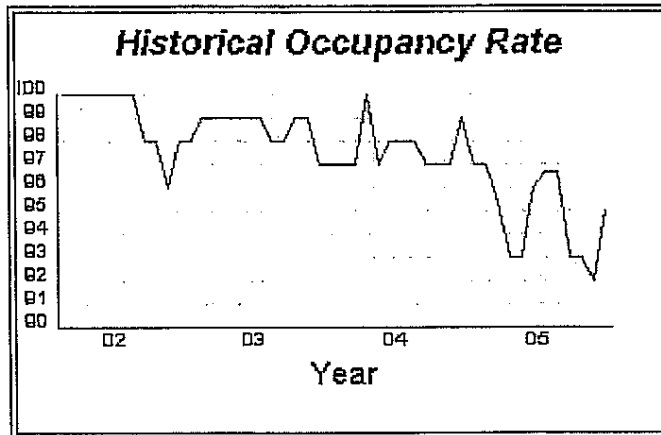
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HISTORY REPORT FOR SPRUCEWOOD

Month	Ave. Rent	Occupancy		Month	Ave. Rent	Occupancy
Jul 05	870.86	92.0		Jan 05	870.86	93.0
Jun 05	870.86	93.0		Dec 04	870.86	93.0
May 05	870.86	93.0		Nov 04	870.86	95.4
Apr 05	870.86	n/a		Oct 04	870.86	97.0
Mar 05	870.86	96.7		Sep 04	870.86	97.0
Feb 05	870.86	96.0		Aug 04	870.86	99.0

SPECIALS/CONCESSIONS

Jul 05: \$99 Total Move In.
 Jun 05: \$99 Total Move In.
 May 05: \$99 Total Move In.
 Apr 05: \$99 Total Move In.
 Mar 05: \$99 Total Move In.
 Feb 05: \$99 Total Move In.
 Jan 05: \$99 Total Move In.
 Dec 04: \$99 Total Move In.
 Nov 04: \$99 Total Move In.
 Oct 04: \$99 Total Move In.
 Sep 04: \$99 Total Move In.
 Aug 04: No Specials



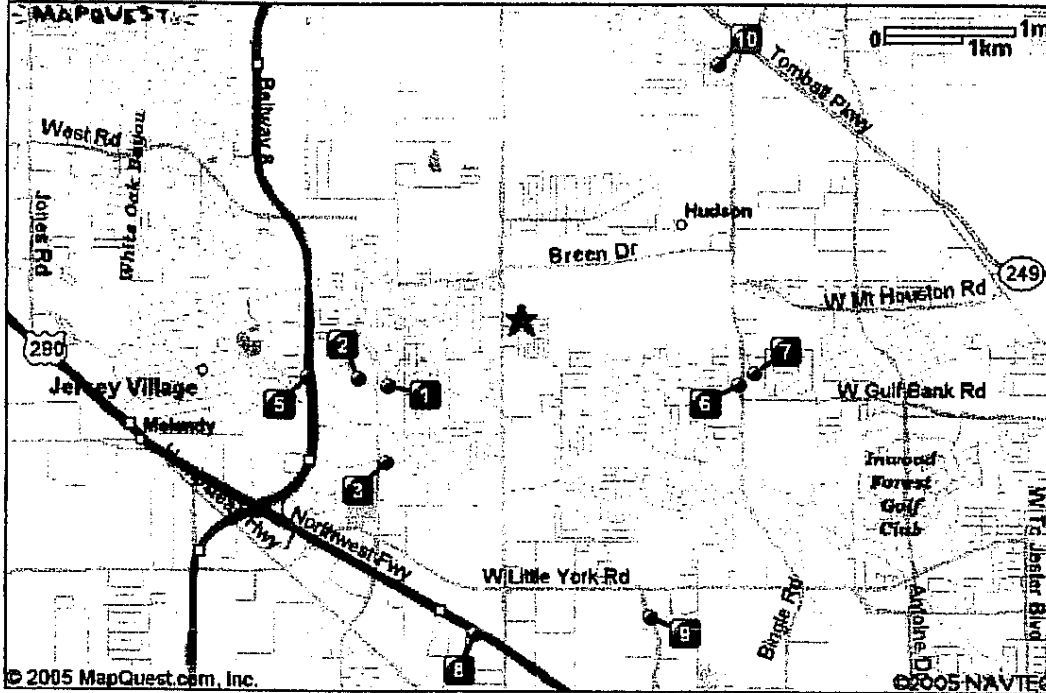
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EXHIBIT "B"

**MAPQUEST Search for
Apartments near Gatehouse Dr**



Apartments near ★ [7913-7999] Gatehouse Dr, Houston, TX 77040



- 1) **Park At Woodwind Lakes**
14333 Philippine St, Houston, TX (1.12 miles away)
713-466-9996
- 2) **Reserve At Woodwind Lakes**
14555 Philippine St, Houston, TX (1.30 miles away)
713-856-5656
- 3) **Windfern Pointe**
9515 W Gulf Bank Rd, Houston, TX (1.43 miles away)
713-466-5121
- 4) *** Highland Terrace Apartments**
Houston, TX
713-460-3063
- 5) **Bellagio Apartments**
15000 Philippine St, Houston, TX (1.66 miles away)
713-896-7777
- 6) **Rosslyn Heights Quadriplexes**
7015 Woodsman Trl # 1102, Houston, TX (1.73 miles away)
713-937-9803
- 7) **Stanford Properties Inc**
10110 Wild Hollow Ln, Houston, TX (1.82 miles away)

281-260-0083

8) Studio 6

14255 NW Fwy, Houston, TX (2.22 miles away)
713-895-2900

9) Thornbury Luxury Apartment

7055 Hollister St, Houston, TX (2.30 miles away)
713-462-0959

10) Champion Forrest Apartments

7330 Silent Wood Ln # 201, Houston, TX (2.31 miles away)
281-999-7377

** Not all locations have enough information to get maps or directions.*

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Apartments near ★ [7913-7999] Gatehouse Dr, Houston, TX 77040

11) Seasons

6969 Hollister St, Houston, TX (2.37 miles away)
713-690-0505

12) Willow Brook Crossing

7150 Smiling Wood Ln, Houston, TX (2.40 miles away)
281-591-6029

13) Cedar Pointe

7610 Fallbrook Dr, Houston, TX (2.47 miles away)
281-444-8168

14) In Town Suites

14041 Northwest Fwy, Houston, TX (2.47 miles away)
713-462-7200

15) El Conquistador Pasaderia

8606 N Houston Rosslyn Rd, Houston, TX (2.47 miles away)
713-466-8450

16) Saddlewood Apartments

9955 Bammel North Houston Rd, Houston, TX (2.55 miles away)
281-445-8686

17) Willowbrook Point Apartments

14150 State Highway 249, Houston, TX (2.55 miles away)
281-445-9137

18) Inwood Meadows Apartments

9021 Antoine Dr, Houston, TX (2.55 miles away)
281-931-0725

19) Corporate Apartment Network

6565 Hollister St, Houston, TX (2.60 miles away)
713-996-9659

20) Hollister Place Apartments

6565 Hollister St, Houston, TX (2.60 miles away)
713-460-4290

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Apartments near ★ [7913-7999] Gatehouse Dr, Houston, TX 77040

21) Summertree Park Apartments

7100 Smiling Wood Ln, Houston, TX (2.63 miles away)
281-820-4346

22) Meridian Apartments

10200 Old Bammel N Houston Rd, Houston, TX (2.65 miles away)
281-999-9022

23) Chesapeake Village

8430 Antoine Dr, Houston, TX (2.67 miles away)
281-931-1037

24) Seton Chase

7703 Seton Lake Dr, Houston, TX (2.77 miles away)
281-580-0296

25) Village of Inwood Inc

5710 W Mount Houston Rd, Houston, TX (2.79 miles away)
281-999-6800

26) Inwood Grove Apartments

7302 Alabonson Rd, Houston, TX (2.80 miles away)
281-591-6046

27) Savoy Manor

5915 Flintlock Rd, Houston, TX (2.80 miles away)
713-462-6429

28) Timbers of Inwood Forest

5850 W Gulf Bank Rd, Houston, TX (2.82 miles away)
281-999-2369

29) Bellmeade Apartment Homes

10802 Legacy Park Dr, Houston, TX (2.85 miles away)
832-912-7200

30) Briar Park Apartments

10401 Old Bammel N Houston Rd, Houston, TX (2.85 miles away)
281-537-2545

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Apartments near ★ [7913-7999] Gatehouse Dr, Houston, TX 77040

- 31) Apartments & Beyond**
8222 Antoine Dr # 119, Houston, TX (2.88 miles away)
281-820-2787
- 32) Lafayette Green Apartments**
8327 W Tidwell Rd, Houston, TX (2.90 miles away)
713-462-0058
- 33) Camden Wilshire**
6000 Hollister St, Houston, TX (2.91 miles away)
713-895-7600
- 34) Somerset Apartments**
8001 W Tidwell Rd, Houston, TX (2.94 miles away)
713-462-5069
- 35) Summer Set Pl**
5757 Guhn Rd, Houston, TX (3.01 miles away)
713-462-6767
- 36) Woodcreek-Northwest Crossing**
5800 Hollister St, Houston, TX (3.02 miles away)
713-462-8860
- 37) Cherry Creek Apartments**
5801 Hollister St, Houston, TX (3.02 miles away)
713-460-9145
- 38) Park Lane Apartments**
5714 W Gulf Bank Rd, Houston, TX (3.06 miles away)
281-999-1651
- 39) Fawndale Apartments**
8103 Grow Ln, Houston, TX (3.07 miles away)
713-462-0142
- 40) Park West Apartments**
8047 Grow Ln, Houston, TX (3.08 miles away)
713-462-5041

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MAPQUEST

Apartments near ★ [7913-7999] Gatehouse Dr, Houston, TX 77040

- 41) **Quail Creek Apartments**
7835 Grow Ln, Houston, TX (3.14 miles away)
713-460-0647
- 42) **Park Lane Apartments**
5555 W Gulf Bank Rd, Houston, TX (3.18 miles away)
281-999-2495
- 43) **Greens of Inwood**
5454 W Gulf Bank Rd # A, Houston, TX (3.32 miles away)
832-327-0972
- 44) **Gables Corporate Apartment Hms**
7025 W Tidwell Rd # 104, Houston, TX (3.34 miles away)
713-895-9929
- 45) **Oaks of Inwood Apartments**
5350 W Gulf Bank Rd, Houston, TX (3.55 miles away)
281-999-0909
- 46) **Winchester Place Apartments**
10910 Gold Point Dr, Houston, TX (3.58 miles away)
281-890-6688
- 47) **Streamside Place Apartments**
5335 W Gulf Bank Rd, Houston, TX (3.60 miles away)
281-445-0868
- 48) **Woodglen Village Apartments**
11111 W Montgomery Rd, Houston, TX (3.64 miles away)
281-260-7677
- 49) **Willowrun Condo Triplexs**
11240 Perry Rd, Houston, TX (3.64 miles away)
281-955-2356
- 50) **Ranchstone Apartments**
10901 Ranchstone Dr, Houston, TX (3.64 miles away)
281-517-2200

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Apartments near ★ [7913-7999] Gatehouse Dr, Houston, TX 77040

- 51) Ascot Court**
10910 West Rd, Houston, TX (3.66 miles away)
281-955-6341
- 52) Stone Canyon Apartments**
10919 West Rd, Houston, TX (3.69 miles away)
281-970-7878
- 53) Shadow Creek Apartments**
7500 Pinemont Dr, Houston, TX (3.72 miles away)
713-939-0222
- 54) Trails At Steeplechase**
11011 Pleasant Colony Dr, Houston, TX (3.73 miles away)
281-894-0073
- 55) Trails At Corinthian Creek**
8655 Jones Rd, Houston, TX (3.73 miles away)
281-970-1000
- 56) Hunter Forest Apartments**
6407 Antoine Dr, Houston, TX (3.73 miles away)
713-683-1910
- 57) Pointe At Steeplechase**
8901 Jones Rd, Houston, TX (3.77 miles away)
281-890-8644
- 58) Camden Steeplechase**
9001 Jones Rd, Houston, TX (3.79 miles away)
281-890-2090
- 59) Pines of Northwest Crossing**
7200 Pinemont Dr, Houston, TX (3.83 miles away)
713-462-4148
- 60) Sterling Grove Apartments**
6240 Antoine Dr, Houston, TX (3.84 miles away)
713-681-2416

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Apartments near ★ [7913-7999] Gatehouse Dr, Houston, TX 77040

- 61) West Brook Apartments**
10990 West Rd, Houston, TX (3.87 miles away)
281-890-5678
- 62) Lexington Trails**
6200 W Tidwell Rd, Houston, TX (3.87 miles away)
713-956-8073
- 63) Aspen Apartments**
6150 W Tidwell Rd, Houston, TX (3.89 miles away)
713-688-6888
- 64) Falls On Antoine**
6101 Antoine Dr, Houston, TX (3.91 miles away)
713-688-8407
- 65) Gables of Inwood**
5600 Holly View Dr, Houston, TX (3.96 miles away)
713-680-1800
- 66) Pine Ridge Place Apartments**
5700 Thousand Oaks Cir, Houston, TX (4.01 miles away)
713-681-2424
- 67) Hollyview Apartments**
5555 Holly View Dr, Houston, TX (4.02 miles away)
713-688-6601
- 68) Antoine Village Apartments**
5550 Holly View Dr, Houston, TX (4.02 miles away)
713-957-2911
- 69) Evergreen Forest**
5801 W Sunforest Dr, Houston, TX (4.05 miles away)
713-688-9982
- 70) Crossings At Tidwell**
6000 Sunforest Dr, Houston, TX (4.07 miles away)
713-956-6363

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MAPQUEST

Apartments near ★ [7913-7999] Gatehouse Dr, Houston, TX 77040

- 71) Inwood Oaks Apartments**
3902 W Little York Rd, Houston, TX (4.10 miles away)
281-447-7277
- 72) Bristol Place**
11245 West Rd, Houston, TX (4.12 miles away)
281-727-2500
- 73) Trails At Rock Creek**
12502 Seattle Siew Dr, Houston, TX (4.13 miles away)
281-721-9700
- 74) Northwest Pines Apartments**
5801 N Houston Rosslyn Rd, Houston, TX (4.13 miles away)
713-681-8386
- 75) Jade Forest Apartments**
9301 Clay Rd # 17, Houston, TX (4.15 miles away)
713-462-4357
- 76) Northcove Apartments**
5500 De Soto St, Houston, TX (4.16 miles away)
713-956-6270
- 77) Windfern Meadows Apartments**
12919 Windfern Rd, Houston, TX (4.21 miles away)
281-469-9608
- 78) Oak Brook Apartments**
5353 De Soto St, Houston, TX (4.23 miles away)
713-957-2600
- 79) Sugar Creek Apartments**
11501 West Rd, Houston, TX (4.25 miles away)
281-970-1773
- 80) Hunter's Cove Apartments**
5300 De Soto St, Houston, TX (4.25 miles away)
713-688-3983

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Apartments near ★ [7913-7999] Gatehouse Dr, Houston, TX 77040

- 81) Trails At Windfern**
13035 Windfern Rd, Houston, TX (4.26 miles away)
281-890-6824
- 82) Arbor Oaks Apartments**
3500 W Little York Rd, Houston, TX (4.27 miles away)
281-447-8928
- 83) Sprucewood Apartments**
12200 Steepleway Blvd, Houston, TX (4.31 miles away)
281-807-6608
- 84) Chelsea Park Apartments**
11000 Crescent Moon Dr, Houston, TX (4.32 miles away)
281-890-5066
- 85) Inwood Village Fourplexes**
7200 W T C Jester Blvd, Houston, TX (4.33 miles away)
281-820-3311
- 86) Oakwood Gardens**
5625 Antoine Dr, Houston, TX (4.35 miles away)
713-688-2217
- 87) Oaks On Antoine**
5555 Antoine Dr, Houston, TX (4.40 miles away)
713-812-1700
- 88) Garden City Apartments**
2611 Garden City Dr # A, Houston, TX (4.40 miles away)
281-447-3434
- 89) Salvation Army**
2611 Garden City Dr, Houston, TX (4.40 miles away)
281-447-2733
- 90) Steepleway Downs Apartments**
11910 Thoroughbred Dr, Houston, TX (4.40 miles away)
281-955-0018

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Apartments near ★ [7913-7999] Gatehouse Dr, Houston, TX 77040

91) Pine Arbor Apartments

5310 Lost Forest Dr, Houston, TX (4.42 miles away)
713-681-0384

92) Oak Glen Apartments

5500 Antoine Dr # 117, Houston, TX (4.42 miles away)
713-688-9246

93) Villa Del Sol

4000 Hollister St, Houston, TX (4.46 miles away)
713-460-8780

94) Summercrest Apartments

3950 Hollister St, Houston, TX (4.49 miles away)
713-462-4597

95) Garden City Apartments

9601 W Montgomery Rd, Houston, TX (4.49 miles away)
281-260-8344

96) Pinemont

6000 Pinemont Dr, Houston, TX (4.49 miles away)
713-957-4430

97) Summercrest Apartments

8655 Pitner Rd, Houston, TX (4.51 miles away)
713-460-1760

98) Pineforest Place

5353 Deep Forest Dr, Houston, TX (4.51 miles away)
713-688-7737

99) Willows North Apartments

5353 Deep Forest Dr, Houston, TX (4.51 miles away)
713-688-9265

100) Pine Garden Apts

8650 Pitner Rd, Houston, TX (4.51 miles away)
713-690-8500

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Apartments near ★ [7913-7999] Gatehouse Dr, Houston, TX 77040

- 101) Pineforest Park**
5959 Pinemont Dr, Houston, TX (4.51 miles away)
713-688-7737
- 102) Northwest Corners Apartments**
8520 Pitner Rd, Houston, TX (4.57 miles away)
713-690-0580
- 103) Vintage Apartments**
6500 W 43rd St, Houston, TX (4.62 miles away)
713-688-7228
- 104) Spring Brook Village Apts**
3400 Blalock Rd, Houston, TX (4.70 miles away)
713-939-1214
- 105) Las Ventanas Apartments**
13333 West Rd, Houston, TX (4.71 miles away)
281-970-1330
- 106) Oaks of Northwest Corner**
4222 Lockfield St, Houston, TX (4.76 miles away)
713-681-9427
- 107) Green Oak Village Ltd**
3400 Campbell Rd, Houston, TX (4.77 miles away)
713-462-8001
- 108) Lockfield Bend Apartments**
4200 Lockfield St, Houston, TX (4.79 miles away)
713-683-8814
- 109) Woodland Trail North Townhomes**
4200 Lockfield St, Houston, TX (4.79 miles away)
713-683-8814
- 110) Traces Loft Village Apartment**
5110 Azalea Trace Dr, Houston, TX (4.89 miles away)
281-537-0280

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Apartments near ★ [7913-7999] Gatehouse Dr, Houston, TX 77040

- 111) Miami Gardens Apartments**
9540 Kempwood Dr, Houston, TX (4.90 miles away)
713-462-2181
- 112) Oak Grove Apartments**
10810 Barely Ln, Houston, TX (4.94 miles away)
281-477-8890
- 113) Kempwood Place Apartments**
10010 Kempwood Dr, Houston, TX (4.96 miles away)
713-462-5056
- 114) Kempwood Hollow Apartments**
9999 Kempwood Dr, Houston, TX (4.97 miles away)
713-462-8255
- 115) Waterford Place Apartments**
3125 Crestdale Dr, Houston, TX (4.97 miles away)
713-462-3493
- 116) Gentry House**
9001 Kempwood Dr, Houston, TX (4.98 miles away)
713-464-8333
- 117) Spring Shadows Place**
10100 Kempwood Dr, Houston, TX (4.99 miles away)
713-462-6444
- 118) One Willow Park Apartments**
8330 Willow Place Dr S, Houston, TX (5.00 miles away)
281-890-1500
- 119) * Lodge At Springshadows**
10221 Centrepark Dr, Houston, TX
713-550-9299
- 120) * Matronational Carol Swan**
10221 Centrepark Dr, Houston, TX
713-550-9299

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MAPQUEST

Apartments near ★ [7913-7999] Gatehouse Dr, Houston, TX 77040

- 121) Hastings Place Apartments**
10730 Glenora Dr, Houston, TX (5.04 miles away)
281-890-3586
- 122) Creekwood Apartments**
11911 Northwest Fwy, Houston, TX (5.10 miles away)
713-686-9083
- 123) Willow Green Club Apartments**
8301 Willow Place Dr N, Houston, TX (5.14 miles away)
281-890-5600
- 124) Woodedge Apartments**
10802 Greencreek Dr, Houston, TX (5.20 miles away)
281-894-7612
- 125) Wellington Place Maintenance**
10803 Greencreek Dr, Houston, TX (5.21 miles away)
281-890-2234
- 126) Morningside Green Apartments**
11810 Hammond Dr, Houston, TX (5.23 miles away)
281-894-0091
- 127) Mangum Oaks Apartment**
4702 Mangum Rd, Houston, TX (5.26 miles away)
713-681-5252
- 128) Verandah At Centerfield**
7700 Willow Chase Blvd, Houston, TX (5.30 miles away)
281-970-7576
- 129) Champions Centre Apartments**
13222 Champions Centre Dr, Houston, TX (5.31 miles away)
281-397-8000
- 130) Limestone Ranch At Crossroads**
12655 Crossroads Park Dr, Houston, TX (5.33 miles away)
281-970-4483

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MAPQUEST

Apartments near ★ [7913-7999] Gatehouse Dr, Houston, TX 77040

- 131) **Amlt At Champions Park**
13050 Champions Park Dr, Houston, TX (5.37 miles away)
281-537-9493
- 132) **Champions Park**
13050 Champions Park Dr, Houston, TX (5.37 miles away)
281-537-9400
- 133) **Hampton At Willow Brook**
7450 Willow Chase Blvd, Houston, TX (5.38 miles away)
281-774-0049
- 134) **Blue Bell Village Leasing**
9660 Veterans Memorial Dr, Houston, TX (5.39 miles away)
281-447-3461
- 135) **Champions Woods Apartments**
6830 Champions Plaza Dr, Houston, TX (5.39 miles away)
281-537-2607
- 136) **Blue Bell Crossing**
9630 Veterans Memorial Dr, Houston, TX (5.41 miles away)
281-448-2586
- 137) **Breton Mill Apartments**
13555 Breton Ridge St, Houston, TX (5.49 miles away)
281-890-2839
- 138) **Champions Pointe**
12335 Antoine Dr, Houston, TX (5.56 miles away)
281-580-5321
- 139) **Springlake Lake Homes**
2217 Hollister St, Houston, TX (5.56 miles away)
713-647-8485
- 140) **Hidden Park Apartments**
4225 Mangum Rd # 7, Houston, TX (5.60 miles away)
713-686-1662

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MAPQUEST

Apartments near ★ [7913-7999] Gatehouse Dr, Houston, TX 77040

- 141) Wynnewood Apartment Homes**
10225 Wortham Blvd, Houston, TX (5.60 miles away)
281-970-8585
- 142) Hunter's Chase Apartments**
10000 Hammerly Blvd, Houston, TX (5.62 miles away)
713-467-9044
- 143) Hammerly Villa Apartments**
10011 Hammerly Blvd, Houston, TX (5.62 miles away)
713-467-3800
- 144) Camden Station Apartment**
12355 Antoine Dr, Houston, TX (5.62 miles away)
281-580-5580
- 145) Lakeview Apartments Svc Crdntr**
8950 Hammerly Blvd # 200, Houston, TX (5.67 miles away)
713-365-0036
- 146) Lakeview Place Apartments**
8950 Hammerly Blvd, Houston, TX (5.67 miles away)
713-984-9003
- 147) Prestonwood Apartments**
13210 Prestonwood Forest Dr, Houston, TX (5.67 miles away)
281-469-0758
- 148) Spring Lake Apartments**
8800 Hammerly Blvd, Houston, TX (5.69 miles away)
713-465-0776
- 149) One Camden Court Apartments**
12411 Antoine Dr, Houston, TX (5.69 miles away)
281-580-7056
- 150) Hammerly Oaks Apartments**
8791 Hammerly Blvd, Houston, TX (5.74 miles away)
713-465-7933

Switchboard USA

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- [Hotels](#) • [Motels](#) • [Vacations](#) • [Travel Insurance](#) • [Cheap Hotel](#)

Location of Proposed Rolling Creek Apartments

The location on a secondary road will be faced with external obsolescence and should be ruled out because of the following:

- The developers own market study states this is not the best use of the property. In actual fact the Apartment Data Services historical data shows 80.1% occupancy rate for this area. 19.9% vacancy rate makes any new construction questionable. Historical data shows a reduction in rental rates over the past 5 years. To achieve above average occupancy many properties resort to reduced rates and rental specials. A Desk Review of the developer owner's market study further reinforces these facts.
- The location is in an already over-built market with 150 plus apartment properties within 5.4 miles.
- Of the 39 comparable properties in the developer owner's market study over 50% have lower rental rates than the posted rates for the proposed Rolling Creek Apartments. In addition, there are 3 other HTC properties in the PMA and 2 tax-exempt (X9) low-moderate income properties that accept all vouchers from HUD and pay no property taxes.
- Nearby schools are already over-crowded and have many portable buildings.
- There are 3 HTC properties and 2 tax exempt (X9) low-moderate income properties in the PMA.
- Flood home buy-outs and repairs exceed \$150,000,000 in the 77040 zip code from 1998 – 2005.
- The site has a history of petroleum dumping and is contaminated with asbestos.
- Mr. Bower states that according to a traffic study Rolling Creek's impact on traffic would be "negligible". However, a request for a copy of this traffic study has received the response "the study has not been completed". Harris County has not conducted a traffic study of Fairbanks N Houston Rd. this year.

Compliance History

Cynosure has never developed an HTC property to have a compliance history. However the principals of Cynosure have an unfavorable history in other endeavors.

- ◆ Public Records list three IRS Tax Liens for Mark Bower.
Source: Public Records, Nueces County, Texas.
- ◆ Certified copies of court records show Daniel Serini, dba Bay Area Contractor, dba Pacific Coast Builders, filed bankruptcy on 9/8/1991 and 9/21/1994. Source: United States Bankruptcy Court Southern District of Texas.
- ◆ Financial information filed with TDHCA by Mr. Bower notes a net worth of \$186,065 while financial information filed in the Southern District Court, Corpus Christi, TX, shows debt of \$820,699. Both of these documents were filed within two weeks of each other, leaving us to question if one of these filings is erroneous.
- ◆ Notification sign posted on Fairbanks N. Houston Rd, Houston, TX lists the address of the proposed development as 7810 Fairbanks N. Houston Rd., while the application lists the address as 8038 Gatehouse Dr., Houston, TX.
- ◆ Mr. Bower was quoted in the Houston Chronicle "my traffic study shows increased traffic from Rolling Creek would have a negligible impact". However when we requested a copy of the traffic study from Mr. Bower he said it had not been completed.
- ◆ Mr. Bower allowed the water commitment for Rolling Creek Apartments to lapse on 8/6/2005. He did not request another water commitment until 9/27/2005.

The above appears to show a disregard for rules and regulations and an inability to meet deadlines and follow rules and regulations. Therefore, FAP respectfully requests that you deny this application.

Financial Feasibility of Rolling Creek Apartments

The developers own Market Study states that multifamily housing is not the best and highest use of the proposed Rolling Creek Property. On page 59 of the study the paragraph titled Conclusion – As Vacant. *Multifamily residential utilization of the site is physically possible and legally permissible. However, current rents and occupancies do not support new construction of market-operated properties. Considering the subject's location on a secondary road, and surrounding development, the Highest and Best Use for the subject site is **future** commercial/multifamily development or subsidized multifamily apartments.*

A desk review of the Market Study was completed by The Gerald A. Teel Company, Inc. Attached as **Exhibit "A"** is a true and correct copy of the desk review dated September 29, 2005.

The Desk Review points out the following:

1. Two LIHTC properties in the PMA were not noted in the report.
2. Rent concessions were not noted in comparable write ups.
3. Demand from growth and other sources account for 9.7% of potential demand for this product.
4. Therefore 90.3% of potential demand would be from tenants leaving other apartments.
5. This situation is not uncommon in older neighborhoods that have subpar product, but using data from the Market Study, this neighborhood has over 47% of the units built after 1990. 22% of the units were built after 2000.
6. Rolling Creek Apartments Financial Data is based on about 93% stabilized occupancy.
7. A survey by Apartment Data Services, August 2005 update, (A copy of this survey is attached to **Exhibit "A"**) the Inwood/Northwest Micro Market was at 80.4% occupancy.
8. Occupancy was down 6.9% over the past 12 months.
9. Historically, within this submarket, the occupancy levels would not support new construction as too much dilution would be probable until the excess product was absorbed.
10. Concessions appear to have been moderate to significant in this submarket until recently, (Hurricane Evacuees on temporary basis) and occupancy levels had also continued to erode until recently, per ADS.

An informal survey was conducted by telephone of the 39 comparables plus the HTC properties not listed in the Market Study. A true and correct copy of the survey is attached as **Exhibit "B"**. The Survey shows that many are offering concessions and over 50% have lower rental rates on a one bedroom unit than the rates proposed by the proposed Rolling Creek Apartments.

EXHIBIT "A"

**Market Study Desk Review
The Gerald A. Teel Company, Inc
Dated September 29, 2005**

THE GERALD A. TEEL COMPANY, INC.

Real Estate Consultants and Appraisers

Gerald A. Teel, MAI, CRE
Chris Lantz
Kirby M. Simmons
Kristen L. Bradford
Steve Rodman, MAI, CCIM

**974 Campbell Rd., Suite 204
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Tim N. Treadway, MAI, CCIM
Michael G. Divin
Kathy V. Bedford
Jason Mushinski
Burke Purdie
Jack Taylor, MAI, CCIM

September 29, 2005

Fairbanks Area Partnership
8310 Partlow Lane
Houston, TX 77040

Attn: Mr. Charles Jackson

Re: Consultation regarding a proposed LIHTC property referred to as The Rolling Creek Apartments to be constructed on the east line of Fairbanks North Houston Road, Harris County, Texas

Dear Mr. Jackson:

In accordance with your request, we have completed a desk review of the market study for the aforementioned property dated January 4, 2005. The market study appears to be in compliance with TDHCA (Texas Department of Housing and Community Affairs) requirements and guidelines. There are some typographical errors, however they would not have a measurable affect on the conclusions. There were two more LIHTC properties in the vicinity that were not noted in the report, Sprucewood at 12101 Steepleway and Sugar Creek at 11501 West Road. Also, concessions were not noted in the comparable write ups, but were addressed in the rent adjustment grids.

It is interesting to note in the report, that including demand from other sources (which is primarily from new household growth not addressed in the demographics) that household growth and other sources accounts for 9.7% of the potential demand for this product, and that lateral movement within the PMA accounts for 90.3% of the total demand. Therefore, over 90% of the potential demand for the Rolling Creek Apartments will be from tenants leaving other properties. This situation is not uncommon in older neighborhoods that have subpar product, but using data from the market study, this neighborhood has over 47% of the units built after 1990.

The market study depicts the rent versus buy analysis in the back of the report. Rather than comparing the individual product type, i.e. being 2 bedroom apartment to two bedroom home, the analysis concludes a bulk figure, which is typical. However, if the pricing of the two bedroom homes noted in the report were compared to the two bedroom subject units, the indicated analysis would be rent at \$706 versus ownership at about

\$787 per month. Using the same methodology in the three bedroom product, subject rents versus ownership, rent would be about \$813 versus \$950 per the market study, although if using the pricing for the three bedroom homes, the ownership figures would be closer to \$840 to \$850. Therefore, in each instance, ownership would not be significantly different from renting, although other factors such as down payment, upkeep, etc., age, would affect this analysis.

The average occupancy of the subject micro market per the market study was 85.9% as of January 2005. Class A product had an overall occupancy of 85.7% and Class B product had an overall occupancy of 85.4%. Typically LIHTC product falls in the Class B segment as amenities are usually below that of the Class A market. Class B product had negative absorption since March 2003 of 315 units, Class C also had negative absorption of 76 units. Only the Class A product had positive absorption, totaling 1,059 units. The absorption of the Class A product had been driving this submarket. The occupancies of the most similar product (Class B) in the sub-market were below stabilized levels. The foregoing implies that to attain a stabilized occupancy level of about 93%, 674 more units would have to be absorbed including all product type.

From a more recent survey by Apartment Data Services (ADS), August 2005 update, the subject is in the Inwood/Northwest Micro Market that was at 80.4% occupancy with 22.0% of the units built after 2000. Per ADS, the average occupancy of Class A product was 87.5% with Class B at 77.2%, and Class C at 82.5%. Per ADS this micro-market had a negative 33 units absorbed from October 2004 to August 2005. Absorption was positive in the last 5 months at 49 units. Rent growth was negative over the last 3 months by 2% and negative 0.7% over the last 12 months. Occupancy was down 6.9% over the last 12 months. A copy of this print out is attached to this letter.

Much of the deficit in occupancies has likely been absorbed due to the influx of tenants from Hurricane Katrina and several of the properties have marked increases in occupancy. For example, Sugar Creek, a 60% LIHTC property not mentioned in the market study, although it is within the PMA (primary market area) jumped from 80% occupancy in March 2005 to 97% in April 2005. This latter property is all 60% rents similar to that proposed for Rolling Creek. Another LIHTC property not mentioned in the market study, Sprucewood, also in the subject PMA, is a mixed rents property, part 50% rents, part 60% rents and part market rents. Its occupancy level has been in the mid to high 90% range over the last 12 months. The property noted as being most similar to the subject in the market study, The Park at Woodwind Lakes varies substantially from the proposed subject property in two regards. All units, save for some one bedroom units, are townhomes with no tenants above, and it too is a mixed rents product, with 50%, 60% and market rents. Therefore, there is a smaller amount of 60% rents in this latter product and it has a larger pool of potential tenants. Management at this property indicated that they had instituted concessions in the recent past on the market rents, and some on the 60% rents. No concessions were offered on the 50% rents, and due to the influx of tenants from Hurricane Katrina, concessions have now been removed for all unit

Mr. Charles Jackson
September 29, 2005
Page 3

types. This property was currently 96% occupied. This property had been in the mid 90% occupancy level for over 12 months. Three market rents properties noted in the market study were also surveyed; The Franklin, Bellmeade, and Broadstone. Occupancy was not reported for The Franklin, but it and Broadstone were offering concessions as of July. Bellmeade was operating at 93% occupancy, having jumped up from 75% in July 2005. Broadstone was reportedly at 89% occupancy up from 82% in July 2005.

It is not clear as to the permanent affect on the market this increase in tenancy will have as no-one knows at this point if these households will remain. Currently the market appears to be performing at occupancy levels that are above average. Historically, within this submarket, the occupancy levels would not support additional new construction as too much dilution would be probable until the excess product was absorbed. This has likely been temporarily or permanently alleviated due to the increase in tenancy from the Katrina victims.

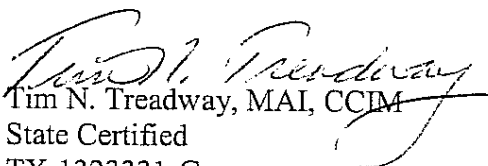
Concessions appear to have been moderate to significant in this submarket until recently, and occupancy levels had also continued to erode until recently, per ADS.

This letter is to convey our findings per your request. If you have any questions regarding any of our conclusions, please call.

Sincerely,

THE GERALD A. TEEL COMPANY, INC.

BY: 
Gerald A. Teel, MAI, CRE, President
State Certified
TX-1320749-G


Tim N. Treadway, MAI, CCIM
State Certified
TX-1323331-G

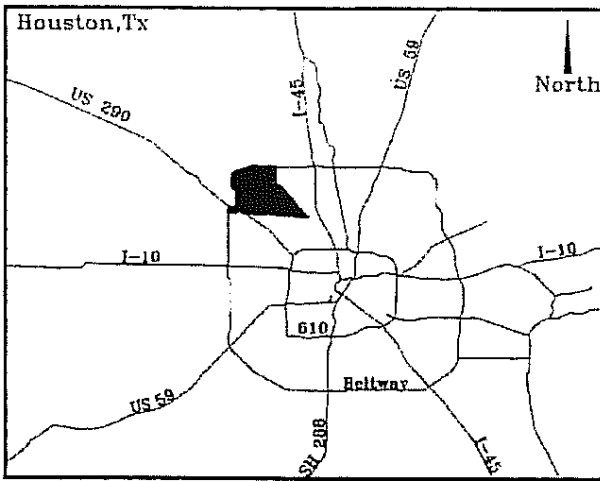
ADDENDA



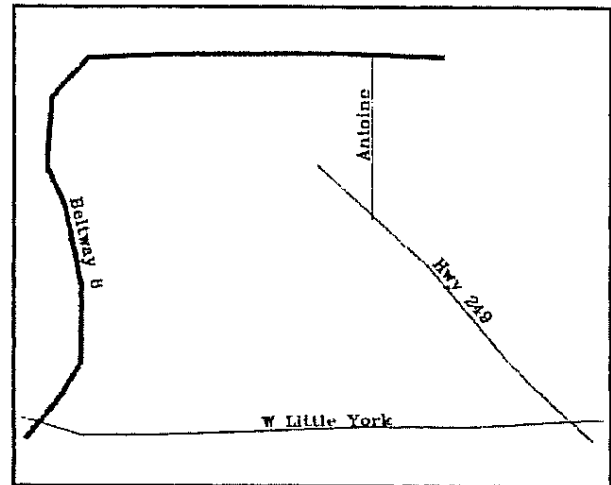
Inwood/ Northwest
Houston, Tx
September 20, 2005

Prepared by:
Tim Treadway
Gerald A Teel Co
974 Campbell #204
Houston, TX 77024
713/467-5858

Inwood/ Northwest
Market-TRAC - September 20, 2005 - Houston, Tx



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Market Summary: This table shows the general statistics for the market. The prices and rental rates are displayed as effective - net of concessions and electric utility adjustments.

# of Operating Communities	34
# of Operating Units	6,479
Avg Units/Community	191
Avg Size (sf)	869
Avg Price (\$/mo)	576
Avg Rental Rate (¢/sf/mo)	66.3
Avg Occupancy	80.4%

Occupancy & Rental Rate Trends: This table shows the occupancy and rental rate trends that have occurred over the last 3, 6 and 12 months. These trends are expressed in annualized terms.

Occupancy:	Last 3 months	2.4%
	Last 6 months	3.2%
	Last 12 months	-6.9%
Rental Rates:	Last 3 months	-2.0%
	Last 6 months	2.1%
	Last 12 months	-0.7%

Absorption: This table shows the absorption (change in the number of occupied units) for the market on a quarterly basis. The table displays the number of units absorbed as well as the percentage of units absorbed in relation to the total number of units in the market. (* indicates partial quarter)

7/05 to 8/05*	Units absorbed	13
	% of market	0.20%
4/05 to 6/05	Units absorbed	36
	% of market	0.56%
1/05 to 3/05	Units absorbed	-16
	% of market	-0.26%
10/04 to 12/04	Units absorbed	-66
	% of market	-1.07%

Construction: This table shows the new construction that has occurred in the market. The average year of construction is calculated based on the number of communities and the number of units in the market.

Units built in 2000 or after	1,424
% of market	22.0%
Avg YOC/communities	1986
Avg YOC/units	1987

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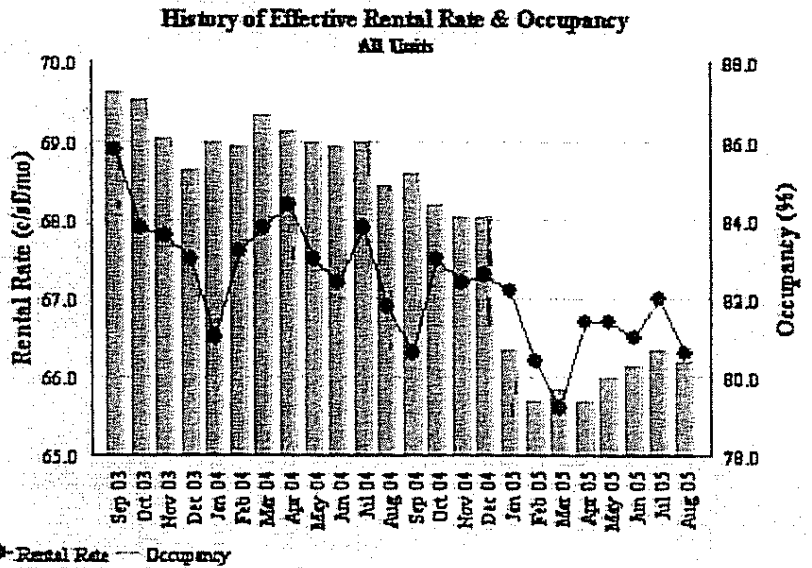
Deposits/Rental Concessions: This table shows the deposits and rental concessions for the market. Three types of concessions are tracked: move-in specials, months free specials and floorplan specific specials.

Avg Security Deposit	\$210
Avg Pet Deposit	\$313
# of communities with:	
Move-in Specials	9
Months Free Specials	7
Floorplan Specials	12

Floorplans (ALL): This table shows statistics for ALL the units in the market. Along with the totals, the table displays the information by Class (A,B,C and D). Prices and rental rates are displayed as effective - net of concessions and electric utility adjustments.

	Total	Class A	Class B	Class C	Class D
# of Communities	34	7	22	5	-
# of Units	6,479	1,668	4,148	663	-
Avg Size (sf)	869	928	855	804	-
Avg Price (\$/mo)	576	726	540	428	-
Avg Rental Rate (¢/sf/mo)	66.3	78.2	63.1	53.3	-
Occupancy	80.4%	87.5%	77.2%	82.5%	-

Date	Units	Price	Rate	Occ%	Absorbed
Sep 03	6,154	584	68.9	87.3	
Oct 03	6,154	576	67.9	87.1	-12
Nov 03	6,154	575	67.8	86.1	-62
Dec 03	6,154	572	67.5	85.3	-49
Jan 04	6,154	564	66.5	86.0	43
Feb 04	6,154	573	67.6	85.9	-6
Mar 04	6,154	576	67.9	86.7	49
Apr 04	6,154	578	68.2	86.3	-25
May 04	6,154	572	67.5	86.0	-18
Jun 04	6,154	570	67.2	85.9	-6
Jul 04	6,154	576	67.9	86.0	6
Aug 04	6,154	567	66.9	84.9	-68
Sep 04	6,154	562	66.3	85.2	18
Oct 04	6,154	572	67.5	84.4	-48
Nov 04	6,154	570	67.2	84.1	-18
Dec 04	6,154	571	67.3	84.1	0
Jan 05	6,477	583	67.1	80.7	49
Feb 05	6,477	575	66.2	79.4	-84
Mar 05	6,477	569	65.6	79.7	19
Apr 05	6,477	580	66.7	79.4	-22
May 05	6,477	580	66.7	80.0	39
Jun 05	6,477	578	66.5	80.3	19
Jul 05	6,477	582	67.0	80.7	31
Aug 05	6,479	576	66.3	80.4	-18

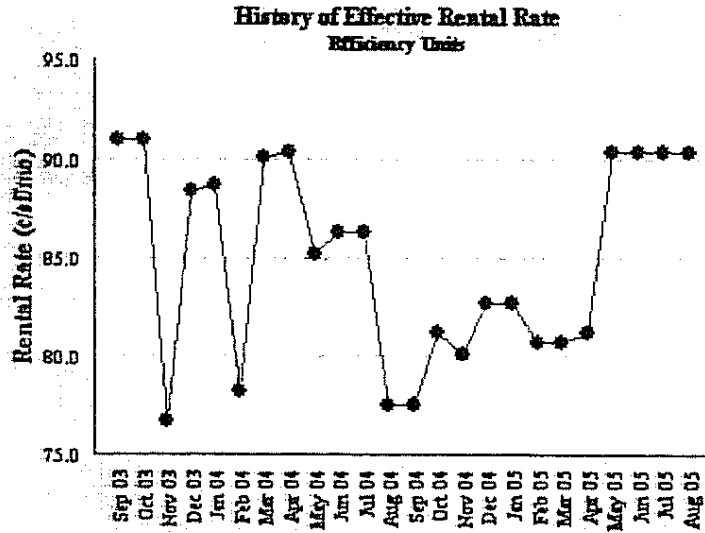


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Example: (Efficiency) This table shows statistics for the EFFICIENCY units in the market. Along with the totals, the table displays the information by Class (A,B,C and D). Prices and rental rates are displayed as effective - net of concessions and electric utility adjustments.

	<u>Total</u>	<u>Class A</u>	<u>Class B</u>	<u>Class C</u>	<u>Class D</u>
# of Communities	2	1	1	-	-
# of Units	48	32	16	-	-
Avg Size (sf)	467	476	450	-	-
Avg Price (\$/mo)	422	430	406	-	-
Avg Rental Rate (¢/sf/mo)	90.3	90.3	90.2	-	-

Date	Units	Price	Rate
Sep 03	48	425	91.0
Oct 03	48	425	91.0
Nov 03	48	358	76.7
Dec 03	48	413	88.4
Jan 04	48	414	88.7
Feb 04	48	365	78.2
Mar 04	48	421	90.1
Apr 04	48	422	90.4
May 04	48	398	85.2
Jun 04	48	403	86.3
Jul 04	48	403	86.3
Aug 04	48	362	77.5
Sep 04	48	362	77.5
Oct 04	48	379	81.2
Nov 04	48	374	80.1
Dec 04	48	386	82.7
Jan 05	48	386	82.7
Feb 05	48	377	80.7
Mar 05	48	377	80.7
Apr 05	48	379	81.2
May 05	48	422	90.4
Jun 05	48	422	90.4
Jul 05	48	422	90.4
Aug 05	48	422	90.4

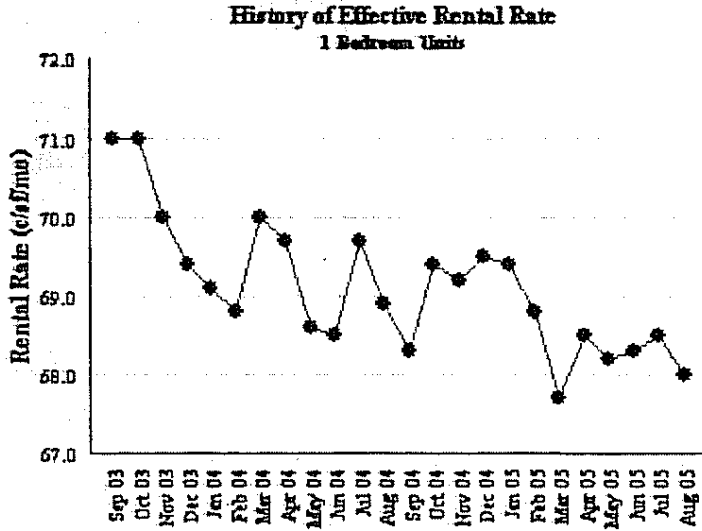


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Footprint: 1-Bedroom : This table shows statistics for the 1 BEDROOM units in the market. Along with the totals, the table displays the information by Class (A,B,C and D). Prices and rental rates are displayed as effective - net of concessions and electric utility adjustments.

	<u>Total</u>	<u>Class A</u>	<u>Class B</u>	<u>Class C</u>	<u>Class D</u>
# of Communities	28	6	18	4	-
# of Units	2,889	548	1,961	380	-
Avg Size (sf)	682	707	683	644	-
Avg Price (\$/mo)	464	607	444	361	-
Avg Rental Rate (¢/sf/mo)	68.0	85.9	65.0	56.0	-

Date	Units	Price	Rate
Sep 03	2,774	475	71.0
Oct 03	2,774	475	71.0
Nov 03	2,774	468	70.0
Dec 03	2,774	464	69.4
Jan 04	2,774	462	69.1
Feb 04	2,774	460	68.8
Mar 04	2,774	468	70.0
Apr 04	2,774	466	69.7
May 04	2,774	459	68.6
Jun 04	2,774	458	68.5
Jul 04	2,774	466	69.7
Aug 04	2,774	461	68.9
Sep 04	2,774	457	68.3
Oct 04	2,774	464	69.4
Nov 04	2,774	463	69.2
Dec 04	2,774	465	69.5
Jan 05	2,889	473	69.4
Feb 05	2,889	469	68.8
Mar 05	2,889	462	67.7
Apr 05	2,889	467	68.5
May 05	2,889	465	68.2
Jun 05	2,889	466	68.3
Jul 05	2,889	467	68.5
Aug 05	2,889	464	68.0

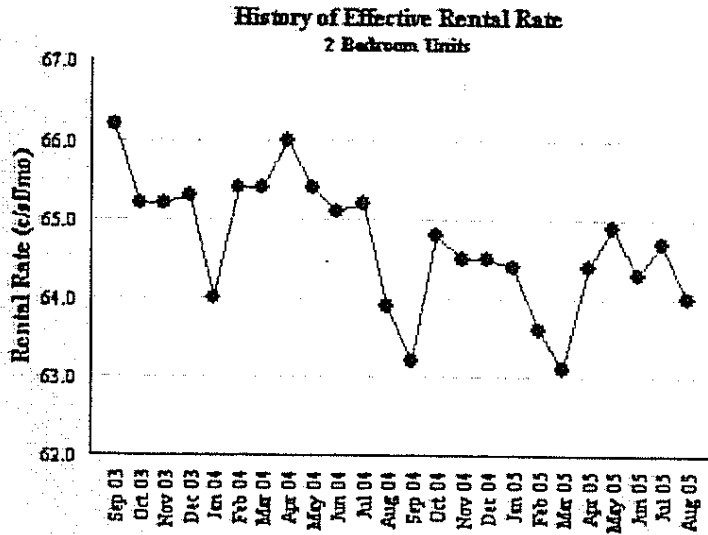


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2-Bedroom: This table shows statistics for the 2 BEDROOM units in the market. Along with the totals, the table displays the information by Class (A,B,C and D). Prices and rental rates are displayed as effective - net of concessions and electric utility adjustments.

	<u>Total</u>	<u>Class A</u>	<u>Class B</u>	<u>Class C</u>	<u>Class D</u>
# of Communities	34	7	22	5	-
# of Units	2,929	834	1,819	276	-
Avg Size (sf)	1,000	1,015	992	1,011	-
Avg Price (\$/mo)	640	761	603	521	-
Avg Rental Rate (¢/sf/mo)	64.0	75.0	60.8	51.5	-

Date	Units	Price	Rate
Sep 03	2,767	649	66.2
Oct 03	2,767	640	65.2
Nov 03	2,767	640	65.2
Dec 03	2,767	641	65.3
Jan 04	2,767	628	64.0
Feb 04	2,767	642	65.4
Mar 04	2,767	642	65.4
Apr 04	2,767	647	66.0
May 04	2,767	642	65.4
Jun 04	2,767	639	65.1
Jul 04	2,767	640	65.2
Aug 04	2,767	627	63.9
Sep 04	2,767	620	63.2
Oct 04	2,767	636	64.8
Nov 04	2,767	633	64.5
Dec 04	2,767	633	64.5
Jan 05	2,927	644	64.4
Feb 05	2,927	636	63.6
Mar 05	2,927	631	63.1
Apr 05	2,927	644	64.4
May 05	2,927	649	64.9
Jun 05	2,927	643	64.3
Jul 05	2,927	647	64.7
Aug 05	2,929	640	64.0

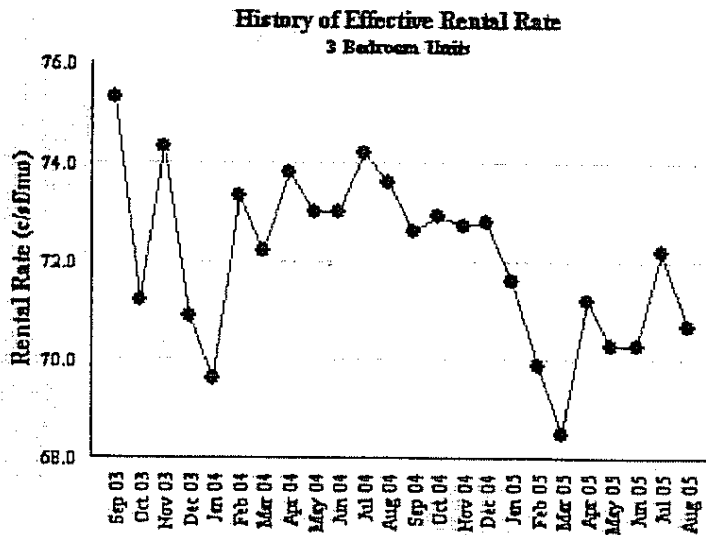


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Figure 3-3-Bedrooms : This table shows statistics for the 3 BEDROOM units in the market. Along with the totals, the table displays the information by Class (A,B,C and D). Prices and rental rates are displayed as effective - net of concessions and electric utility adjustments.

	<u>Total</u>	<u>Class A</u>	<u>Class B</u>	<u>Class C</u>	<u>Class D</u>
# of Communities	12	5	6	1	-
# of Units	569	254	308	7	-
Avg Size (sf)	1,158	1,178	1,139	1,301	-
Avg Price (\$/mo)	819	901	761	420	-
Avg Rental Rate (¢/sf/mo)	70.7	76.4	66.8	32.3	-

Date	Units	Price	Rate
Sep 03	521	839	75.3
Oct 03	521	793	71.2
Nov 03	521	828	74.3
Dec 03	521	790	70.9
Jan 04	521	775	69.6
Feb 04	521	817	73.3
Mar 04	521	804	72.2
Apr 04	521	822	73.8
May 04	521	813	73.0
Jun 04	521	813	73.0
Jul 04	521	827	74.2
Aug 04	521	820	73.6
Sep 04	521	809	72.6
Oct 04	521	812	72.9
Nov 04	521	810	72.7
Dec 04	521	811	72.8
Jan 05	569	830	71.6
Feb 05	569	810	69.9
Mar 05	569	794	68.5
Apr 05	569	825	71.2
May 05	569	815	70.3
Jun 05	569	815	70.3
Jul 05	569	837	72.2
Aug 05	569	819	70.7



PARK AT WOODWIND LAKES
 14333 PHILIPPINE ST
 HOUSTON TX 77040
 (713) 466-9996

MAP: 409-M
 SCHOOL DIST: SISD
 CENSUS TRACT:
 # UNITS: 144
 YR BLT/RENO: 2002
 OCCUPANCY: 96
 COUNTY: HARRIS
 ELECTRIC: RESIDENTIAL
 APP FEE: \$35

2,120 Units
MARKET
0070
SE 5-
LL PRID WATER/Sewer

MGT CO: TRAMMELL CROW RESIDENTIAL
 LSE TERM: 6-12
 PARKING:
 PETS: <25#/\$300 (150 NR)

AMENITIES:			
Historical Report Including 5-Year Historical Charts	<input checked="" type="checkbox"/> Pools (1)	<input checked="" type="checkbox"/> BBQ Grill	<input type="checkbox"/> Self-Clean Oven
	<input checked="" type="checkbox"/> Laundry (1)	<input checked="" type="checkbox"/> Playground	<input type="checkbox"/> Cont-Clean Oven
	<input type="checkbox"/> Tennis	<input checked="" type="checkbox"/> Fitness Center	<input type="checkbox"/> Double Oven
	<input type="checkbox"/> Water V-ball	<input checked="" type="checkbox"/> Jogging Trail	<input checked="" type="checkbox"/> F.F. Refrig
	<input type="checkbox"/> Volleyball	<input checked="" type="checkbox"/> Soc Activities	<input checked="" type="checkbox"/> Ice Maker
	<input type="checkbox"/> Basketball	<input checked="" type="checkbox"/> Access Gates	<input checked="" type="checkbox"/> Dishwasher
	<input type="checkbox"/> Racquetball	<input checked="" type="checkbox"/> On-Site Mgmt	<input checked="" type="checkbox"/> Disposal
	<input type="checkbox"/> Jacuzzi	<input checked="" type="checkbox"/> Courtesy Patrol	<input checked="" type="checkbox"/> Microwave
	<input type="checkbox"/> Sauna	<input type="checkbox"/> Road Service	<input checked="" type="checkbox"/> Pantry
	<input checked="" type="checkbox"/> Clubhouse	<input checked="" type="checkbox"/> Corporates	<input type="checkbox"/> Ceiling Fan
			<input checked="" type="checkbox"/> Patio/Balcony
			<input type="checkbox"/> Extra Storage
			<input type="checkbox"/> Linen Closet
			<input checked="" type="checkbox"/> Mini-Blinds
		<input checked="" type="checkbox"/> Private Alarms	
		<input type="checkbox"/> Vaulted Ceil	
		<input type="checkbox"/> Vanity	
		<input checked="" type="checkbox"/> Walk-In Closet	
		<input type="checkbox"/> Wall-Wall Crpt	

NOTES: W/D Rental +\$35/mo.

UNIT INFORMATION

MIX	DESCRIPTION	W/D	FP	SQ. FEET	MO. RENT	DPST	S/SF	ANNUAL INCOME
26	1/1	FC		661	513- 675	100	0.90	185,328
72	2/2.5 Townhome	FC		1048	614- 921	100	0.73	663,120
46	3/2.5 Townhome	FC		1191	706-1058	100	0.74	486,864
144	TOTALS			147,428	111,276			1,335,312
	AVERAGES			1,023	772		0.75	

SPECIALS:

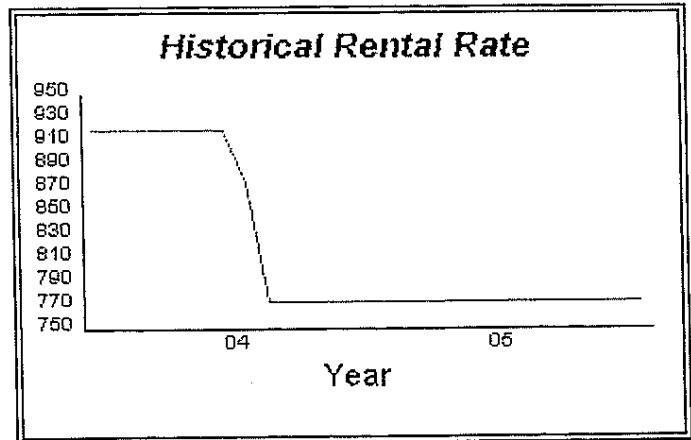
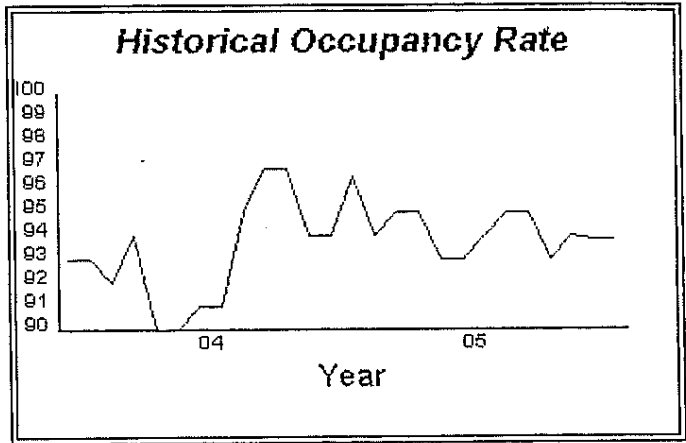
Information obtained from sources deemed reliable, but is not guaranteed.
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HISTORY REPORT FOR PARK AT WOODWIND LAKES

Month	Ave. Rent	Occupancy		Month	Ave. Rent	Occupancy
Jul 05	772.75	93.8		Jan 05	772.75	93.0
Jun 05	772.75	94.0		Dec 04	772.75	93.0
May 05	772.75	93.0		Nov 04	772.75	95.0
Apr 05	772.75	95.0		Oct 04	772.75	95.0
Mar 05	772.75	95.0		Sep 04	772.75	94.0
Feb 05	772.75	94.0		Aug 04	772.75	96.5

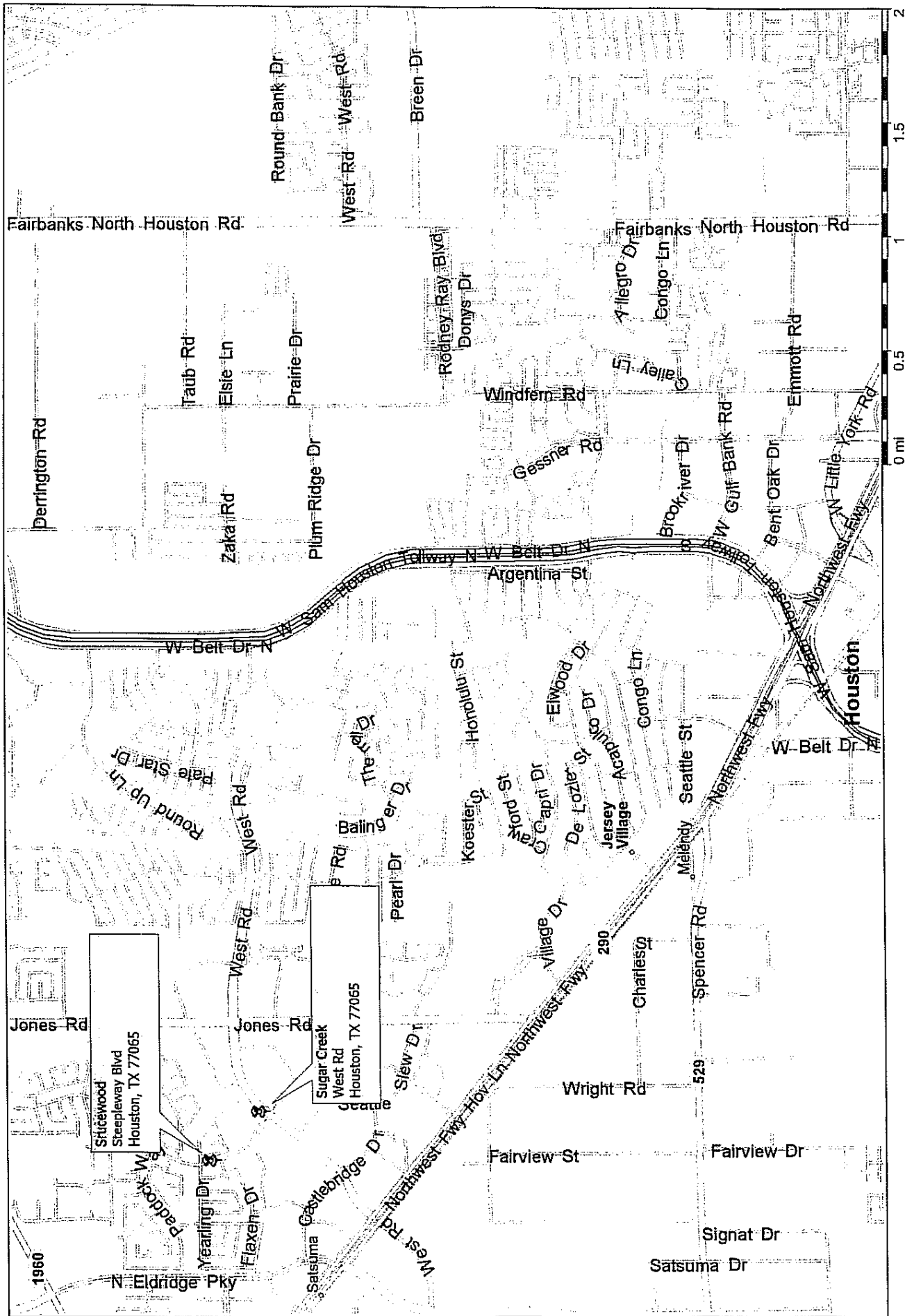
SPECIALS/CONCESSIONS

- Jul 05: No Deposit; 2mo. Free On 3Brs.-Upfront Or Prorated.
- Jun 05: No Deposit; 2mo. Free On 3Brs.-Upfront Or Prorated.
- May 05: No Deposit; 2mo. Free On 3Brs.-Upfront Or Prorated.
- Apr 05: No Deposit.
- Mar 05: No Deposit.
- Feb 05: \$99 Total Move In.
- Jan 05: No Deposit; \$599/mo 1Brs.
- Dec 04: No Deposit; \$599/mo 1Brs.
- Nov 04: No Deposit; \$599/mo 1Brs.
- Oct 04: No Deposit; \$599/mo 1Brs.
- Sep 04: No Deposit. \$599/mo 1Brs.
- Aug 04: No Deposit.



Information obtained from sources deemed reliable but is not guaranteed.
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Texas, United States, North America



SUGAR CREEK
 11501 WEST RD
 HOUSTON TX 77065
 (281) 970-1773

MAP: 409-B
 SCHOOL DIST: CY FA
 CENSUS TRACT: *all 60%*
 # UNITS: 240
 YR BLT/RENO: 2002
 OCCUPANCY: 96
 COUNTY: HARRIS
 ELECTRIC: COMMERCIAL ELECTRIC
 APP FEE: \$35

Chamber
TENANT PAID WATER/SEWER

MGT CO: ORION REAL ESTATE SERVICES
 LSE TERM: 12
 PARKING: OPEN/ATT&DET.GAR.
 PETS: <20#/\$300 (100 NR)

Historical Report
 Including 5-Year
 Historical Charts

AMENITIES:

- Pools (1)
- Laundry (1)
- Tennis
- Water V-ball
- Volleyball
- Basketball
- Racquetball
- Jacuzzi
- Sauna
- Clubhouse
- BBQ Grill
- Playground
- Fitness Center
- Jogging Trail
- Soc Activities
- Access Gates
- On-Site Mgmt
- Courtesy Patrol
- Road Service
- Corporates
- Self-Clean Oven
- Cont-Clean Oven
- Double Oven
- F.F. Refrig
- Ice Maker
- Dishwasher
- Disposal
- Microwave
- Pantry
- Ceiling Fan
- Patio/Balcony
- Extra Storage
- Linen Closet
- Mini-Blinds
- Private Alarms
- Vaulted Ceil
- Vanity
- Walk-In Closet
- Wall-Wall Crpt

NOTES: Business center, computer learning center. 24hr laundry center. Activity & arts and craft center. Pre wired alarms

UNIT INFORMATION

MIX	DESCRIPTION	W/D	FP	SQ. FEET	MO. RENT	DPST	\$/SF	ANNUAL INCOME
80	1/1	FC		680	613	100	0.90	588,480
56	2/2	FC		957	731	300	0.76	491,232
64	2/2	FC		975	731	300	0.75	561,408
40	3/2	FC		1140	838	400	0.74	402,240
240	TOTALS			215,992	170,280			2,043,360
	AVERAGES			899	709		0.79	

SPECIALS:

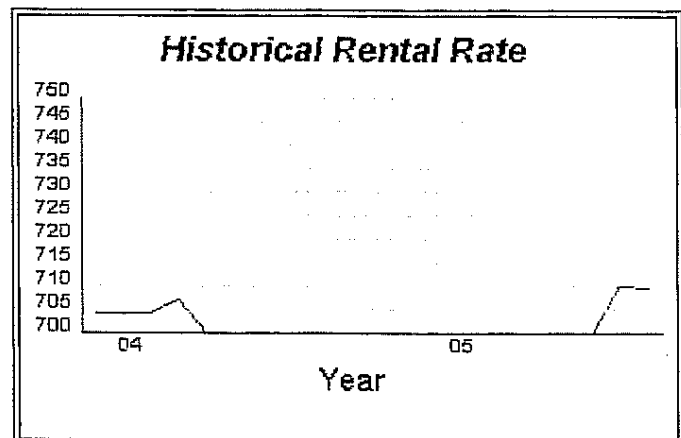
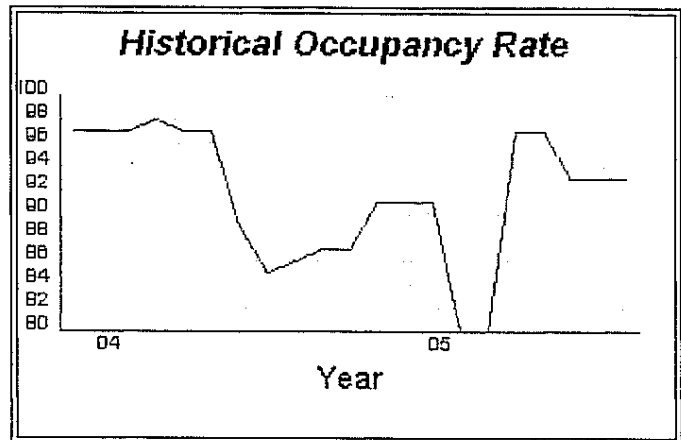
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 ALN Systems, Inc. • 972/931-2553 or 800/643-6416 • www.alnsystems.com

HISTORY REPORT FOR SUGAR CREEK

Month	Ave. Rent	Occupancy		Month	Ave. Rent	Occupancy
Jul 05	709.50	n/a		Jan 05	699.83	91.0
Jun 05	699.83	93.0		Dec 04	699.83	91.0
May 05	699.83	97.0		Nov 04	699.83	91.0
Apr 05	699.83	97.0		Oct 04	699.83	87.0
Mar 05	699.83	80.0		Sep 04	699.83	87.0
Feb 05	699.83	80.0		Aug 04	699.83	86.0

SPECIALS/CONCESSIONS

- Jul 05: 1/2 Deposit w/Approved Credit; \$200 Off 1st Mo.
- Jun 05: 1/2 Deposit w/Approved Credit; 1st Mo. Free w/Approved Credit 12 Mo Ls.
- May 05: 1/2 Deposit w/Approved Credit; \$200 1st Mo. Rent w/Approved Credit.
- Apr 05: \$85 Deposit + \$565/mo. 1Brs.
- Mar 05: \$85 Deposit + \$565/mo. 1Brs.
- Feb 05: \$85 Deposit + \$565/mo. 1Brs.
- Jan 05: \$85 Deposit + \$565/mo. 1Brs.
- Dec 04: \$85 Deposit + \$565/mo. 1Brs.
- Nov 04: No Deposit + \$565/mo. 1Brs.
- Oct 04: 6wks Free 1Brs or \$565/mo.
- Sep 04: 6wks Free 1Brs or \$565/mo.
- Aug 04: 6wks Free 1Brs or \$565/mo.



Information obtained from sources deemed reliable but is not guaranteed.
 ALN Systems, Inc. • 972 / 931 - 2553 • 800 / 643 - 6416 • www.alnsystems.com

SPRUCEWOOD
 12101 STEEPLWAY
 HOUSTON TX 77065
 (281) 807-6608

MAP: 409-A
 SCHOOL DIST: CY-FA
 CENSUS TRACT:
 # UNITS: 152
 YR BLT/RENO: 1999
 OCCUPANCY: 95
 COUNTY: HARRIS
 ELECTRIC: COMMERCIAL ELECTRIC
 APP FEE: \$35

Anna
Alfred Kent
Market
60%
50%
Tenant Water/Sewer

MGT CO: TEXAS INTER-FAITH MGMT
 LSE TERM: 12
 PARKING: ATTACHED GARAGE
 PETS: <15#/\$400 (200 NR)/1 Max

Historical Report Including 5-Year Historical Charts	AMENITIES:			
	<input checked="" type="checkbox"/> Pools (1) <input checked="" type="checkbox"/> Laundry (1) <input type="checkbox"/> Tennis <input type="checkbox"/> Water V-ball <input type="checkbox"/> Volleyball <input type="checkbox"/> Basketball <input type="checkbox"/> Racquetball <input type="checkbox"/> Jacuzzi <input type="checkbox"/> Sauna <input type="checkbox"/> Clubhouse	<input type="checkbox"/> BBQ Grill <input checked="" type="checkbox"/> Playground <input checked="" type="checkbox"/> Fitness Center <input type="checkbox"/> Jogging Trail <input checked="" type="checkbox"/> Soc Activities <input checked="" type="checkbox"/> Access Gates <input type="checkbox"/> On-Site Mgmt <input checked="" type="checkbox"/> Courtesy Patrol <input type="checkbox"/> Road Service <input type="checkbox"/> Corporates	<input type="checkbox"/> Self-Clean Oven <input type="checkbox"/> Cont-Clean Oven <input type="checkbox"/> Double Oven <input checked="" type="checkbox"/> F.F. Refrig <input checked="" type="checkbox"/> Ice Maker <input checked="" type="checkbox"/> Dishwasher <input checked="" type="checkbox"/> Disposal <input checked="" type="checkbox"/> Microwave <input checked="" type="checkbox"/> Pantry	<input checked="" type="checkbox"/> Ceiling Fan <input checked="" type="checkbox"/> Patio/Balcony <input type="checkbox"/> Extra Storage <input checked="" type="checkbox"/> Linen Closet <input checked="" type="checkbox"/> Mini-Blinds <input type="checkbox"/> Private Alarms <input checked="" type="checkbox"/> Vaulted Ceil <input type="checkbox"/> Vanity <input checked="" type="checkbox"/> Walk-In Closet <input checked="" type="checkbox"/> Wall-Wall Crpt

NOTES: Digital TV available, computer lab, entertainment room

UNIT INFORMATION

MIX	DESCRIPTION	W/D	FP	SQ. FEET	MO. RENT	DPST	\$/SF	ANNUAL INCOME
44	1/1	FC		727	720	300	0.99	380,160
60	2/2	FC		991	883	300	0.89	635,760
48	3/2	FC		1076	994	300	0.92	572,544
152	TOTALS			143,096	132,372			1,588,464
	AVERAGES			941	870		0.93	

SPECIALS: \$99 Total Move In.

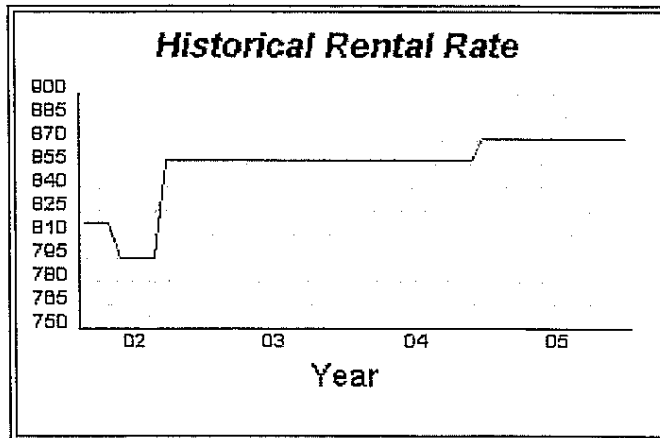
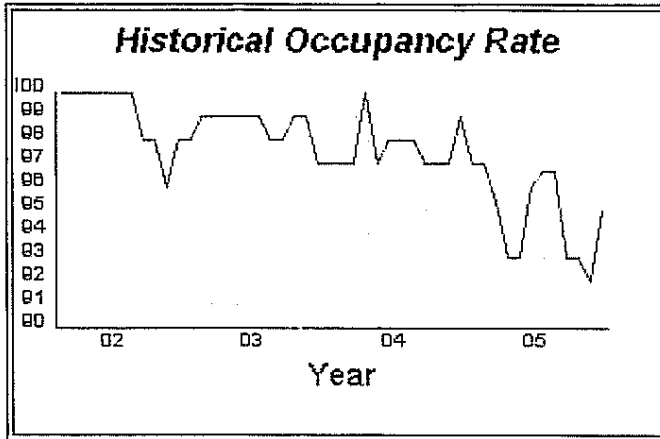
Information obtained from sources deemed reliable, but is not guaranteed.
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HISTORY REPORT FOR SPRUCEWOOD

Month	Ave. Rent	Occupancy		Month	Ave. Rent	Occupancy
Jul 05	870.86	92.0		Jan 05	870.86	93.0
Jun 05	870.86	93.0		Dec 04	870.86	93.0
May 05	870.86	93.0		Nov 04	870.86	95.4
Apr 05	870.86	n/a		Oct 04	870.86	97.0
Mar 05	870.86	96.7		Sep 04	870.86	97.0
Feb 05	870.86	96.0		Aug 04	870.86	99.0

SPECIALS/CONCESSIONS

Jul 05: \$99 Total Move In.
 Jun 05: \$99 Total Move In.
 May 05: \$99 Total Move In.
 Apr 05: \$99 Total Move In.
 Mar 05: \$99 Total Move In.
 Feb 05: \$99 Total Move In.
 Jan 05: \$99 Total Move In.
 Dec 04: \$99 Total Move In.
 Nov 04: \$99 Total Move In.
 Oct 04: \$99 Total Move In.
 Sep 04: \$99 Total Move In.
 Aug 04: No Specials



Information obtained from sources deemed reliable but is not guaranteed.
 ALN Systems, Inc. • 972 / 931 - 2553 • 800 / 643 - 6416 • www.alnsystems.com



TEXAS APPRAISER LICENSING AND CERTIFICATION BOARD

BE IT KNOWN THAT

GERALD ADRON TEEL

*HAVING PROVIDED SATISFACTORY EVIDENCE OF THE QUALIFICATIONS
REQUIRED BY THE TEXAS APPRAISER LICENSING AND CERTIFICATION ACT,
TEXAS OCCUPATIONS CODE, CHAPTER
1103, IS AUTHORIZED TO USE THE TITLE*

**STATE CERTIFIED
GENERAL REAL ESTATE APPRAISER**


Number: TX-1320749-G

Date of Issue: March 22, 2005


Date of Expiration: May 31, 2007

In Witness Whereof





Shirley J. Ward, Chair



Wayne Thorburn, Commissioner

Shirley J. Ward, Chair
Elroy Carson
L.W. (Wayne) Mayo

Larry D. Kokel, Vice-Chair
Malcolm J. Deason
Paul E. Moore

Dona S. Scurry, Secretary
William A. Faulk, Jr.
Clinton P. Sayers

QUALIFICATIONS OF GERALD A. TEEL, MAI, CRE, SGA

Professional Affiliations:

Member - MAI, Member Appraisal Institute
Member - CRE, American Society of Real Estate Counselors
Member - National Golf Foundation
Member - SGA, Society of Golf Appraisers
Real Estate Broker - State of Texas, License #173066
State Certified General Appraiser in the State of Texas, TX-1320749-G
State Certified General Appraiser in the State of Louisiana, LA-0547
State Certified General Appraiser in the State of Oklahoma, OK-12349-G

Professional Officer Positions:

Ethics Administration Chair - Appraisal Institute Region VIII
Chair of the Appraisal Institute Government Relations Committee - 1996
Member of the Appraisal Institute Executive Committee - 1996
Board of Directors - Houston Association of Realtors HAR 1995
Chairman of the Commercial Investment Division - HAR 1995
Executive Committee - HAR 1995
Past President - The Counselors of Real Estate - Gulf Coast Chapter
National Board of Directors Appraisal Institute - 1991-1994, 1996
Region VIII Member to the General Appraiser Board - 1991-1994
Past Member - International Professional Practice Committee for the Society of Real Estate Appraisers
Past President - Appraisal Institute - Houston Chapter No. 33
Past President - Society of Real Estate Appraisers - Houston Chapter No. 83

Present Employment:

Owner - The Gerald A. Teel Company, Inc. a Real Estate Consultants and Appraisal group with offices at 974 Campbell Road, Houston, Texas, from 1983 to present. Formerly a partner in the firm of Dominy, Ford, McPherson & Teel, Real Estate Appraisers and Consultants from 1974 - 1983.

Clients and Types of Property Appraised:

In connection with above employment, clients include pension funds, advisors, corporations, condemnation authorities, financial institutions, attorneys, individuals, and courts. In this capacity, appraisals and consultation services have been provided on assisted living facilities, convalescent centers, retirement communities, commercial properties, subdivisions, farms, ranches, residences, apartments, industrial properties, all types of easements and a wide variety of special purpose properties including golf courses, chemical plants and oil refineries.

Education:

Electrical Engineering Degree - Texas A & M University

GERALD A. TEEL, MAI, CRE, QUALIFICATIONS (Cont.)

Instructor:

Member - Faculty for the Appraisal Institute

Courses: "Capitalization Theory & Techniques"; Course 310 and 510

"Real Estate Appraisal Principles" and The Uniform Standards of Professional Appraisal Practice Course; 400, 410 and 420

Instructor for Appraisal Institute sponsored courses for:

The Czech Chamber of Appraisers

Prague, Czech Republic - 1993

The Korean Appraisal Board

Seoul, South Korea - 2001 and 2002

Previous Instructor of Real Estate Appraisal Courses at Lee College, Baytown, Texas

Understanding Limited Appraisals and Appraisal Reporting Options - General

Court Qualification:

Qualified as an expert witness in courts of Brazos, Brazoria, Dallas, Fort Bend, Galveston, Grimes, Harris, Jefferson, Nueces and Robertson Counties; Federal Bankruptcy Court in Texas, California, Illinois, Tennessee, New York, Florida and Utah; and Hearings for the Texas Health Facilities Commission.

Seminars:

Panel participant for the University of Texas Law School: "Valuation of Assets in Bankruptcy Conference" 1988, 1989, and 1991.

Biographical Background:

Born in Baytown, Texas, 1944, two children; Pilot in the U.S. Air Force, Vietnam; involved primarily in real estate oriented activities since 1972; i.e., brokerage, investments, development and property management.

Representative List of Clients:

Allstate Insurance Co.

American Capital Resources

Baker and Botts

Bank of America

Bank One

Bracewell and Patterson

City of Houston

Coastal Banc

Comerica Bank

C&W Manhattan Construction

Exxon/Mobil

FDIC

FHA/HUD Multi-Family Section

Fidelity Investments

Halliburton

Harris County Right of Way

Harris County Appraisal District

Hibernia Bank

JMB Realty Advisors

JP Morgan Chase Bank

Lee College

Locke, Liddell, Sapp

L. J. Melody Mortgage

M. D. Anderson

Metropolitan Life Insurance

Muni-Mae Midland Mortgage Co.

New York Life

Olin Corporation

Olson & Olson

Phillips Petroleum

Resolution Trust Corporation

Texas State Bank

Texas State Teachers Retirement System

Texas Department of Transportation

University of Texas - Real Estate Systems

Washington Mutual

GERALD A. TEEL, MAI, CRE, QUALIFICATIONS (Cont.)

John Alden Life Co.

Wells Fargo Bank



TEXAS APPRAISER LICENSING AND CERTIFICATION BOARD

BE IT KNOWN THAT

TIM NEAL TREADWAY

*HAVING PROVIDED SATISFACTORY EVIDENCE OF THE QUALIFICATIONS
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GENERAL REAL ESTATE APPRAISER**

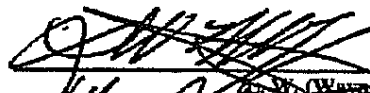
Number: TX-1323331-G

Date of Issue: September 13, 2004


Date of Expiration: July 31, 2006



In Witness Whereof



L.W. (Wayne) Mayo, Chair



Wayne Thorburn, Commissioner

L.W. (Wayne) Mayo, Chair
Elroy Carson
Larry D. Kokel

Shirley Ward, Vice-Chair
Malcolm J. Deason
Ted Whitmer

Dona S. Scurry, Secretary
William A. Faulk, Jr.
Paul E. Moore

QUALIFICATIONS OF TIM N. TREADWAY, MAI, CCIM

Professional Affiliations

Texas Real Estate Broker's License
MAI - Member of the Appraisal Institute #9789
CCIM - Certified Commercial Investment Member #8706
State Certified - General Real Estate Appraiser - TX-1323331-G
State Certified - General Real Estate Appraiser - AR-CG1712N
State Certified - General Real Estate Appraiser - LA - G1172

Employment

2001 - present: General Partner / Campbell Property Services
1996 - present: The Gerald A. Teel Company, Inc.
Self Employed: Home builder since 1989
1994 - 1995: Independent Contractor in the Appraisal Industry
1986 - 1994: Minority owner, The Appraisal Group
1984 - 1986: Joseph B. Muller Appraisals - Residential Valuations

Clients and Types of Property Appraised:

In connection with above employment, clients include pension funds, advisors, corporations, condemnation authorities, financial institutions, attorneys, individuals, and courts. In this capacity, appraisals and consultation services have been provided on commercial properties, subdivisions, farms, ranches, residences, apartments, industrial properties, and a wide variety of special purpose properties including salt dome storage facilities, Low Income & Senior housing facilities, partial undivided interest, etc.

Education

Graduate - Guitar Institute of Technology, Hollywood, California
Home building and Inspector courses at Houston Community College
Society of Real Estate Appraisers - Courses 101 and 102 in residential valuation
Capitalization Theory and Technique Classes A & B - American Institute of Real Estate Appraisers
Case Studies - American Institute of Real Estate Appraisers
Standards and Ethics - American Institute of Real Estate Appraisers
Report Writing and Comprehensive Real Estate Review - Appraisal Institute
FIRREA Seminar - Appraisal Institute
FHA Appraisals - Appraisal Institute
Understanding Limited Appraisals - Appraisal Institute
Ranch Valuation - Appraisal Institute
Certified Commercial Investment Member Course 101 - Financial Analysis
Certified Commercial Investment Member Course 102 - Market Analysis

QUALIFICATIONS OF TIM N. TREADWAY, MAI, Cont.

Certified Commercial Investment Member Course 104 -- Investment Analysis

QUALIFICATIONS OF TIM N. TREADWAY, MAI, Cont.

Other

1995 Chairman of the Demonstration Verification Report Committee - Houston
Chapter of the Appraisal Institute
Taught Residential Valuation - guest speaker at San Jacinto College
Developed and analyzed retail shopping center and various projects - Including
Restaurant with Houston developer David Cottrell
Tenant Representation Office/Retail/Warehouse
Brokerage Services various properties
Property Management multi-tenant storage facility
Qualified as expert witness Commissioners court
Qualified as expert witness Federal Court
Contributing author to the Houston Business Journal
Invited by TDHCA to participate in 2000/2001 round table discussions to help
determine policy/guidelines
HUD Certified / MAP Program

EXHIBIT "B"

Informal Telephone Survey

color copy

GERALD A. TEEL, MAI, CRE, QUALIFICATIONS (Cont.)

Instructor:

Member - Faculty for the Appraisal Institute
Courses: "Capitalization Theory & Techniques"; Course 310 and 510
"Real Estate Appraisal Principles" and The Uniform Standards of Professional Appraisal Practice Course; 400, 410 and 420
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Panel participant for the University of Texas Law School: "Valuation of Assets in Bankruptcy Conference" 1988, 1989, and 1991.

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Born in Baytown, Texas, 1944, two children; Pilot in the U.S. Air Force, Vietnam; involved primarily in real estate oriented activities since 1972; i.e., brokerage, investments, development and property management.

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Allstate Insurance Co.	JMB Realty Advisors
American Capital Resources	JP Morgan Chase Bank
Baker and Botts	Lee College
Bank of America	Locke, Liddell, Sapp
Bank One	L. J. Melody Mortgage
Bracewell and Patterson	M. D. Anderson
City of Houston	Metropolitan Life Insurance
Coastal Banc	Muni-Mae Midland Mortgage Co.
Comerica Bank	New York Life
C&W Manhattan Construction	Olin Corporation
Exxon/Mobil	Olson & Olson
FDIC	Phillips Petroleum
FHA/HUD Multi-Family Section	Resolution Trust Corporation
Fidelity Investments	Texas State Bank
Halliburton	Texas State Teachers Retirement System
Harris County Right of Way	Texas Department of Transportation
Harris County Appraisal District	University of Texas - Real Estate Systems
Hibernia Bank	Washington Mutual

GERALD A. TEEL, MAI, CRE, QUALIFICATIONS (Cont.)

John Alden Life Co.

Wells Fargo Bank



TEXAS APPRAISER LICENSING AND CERTIFICATION BOARD

BE IT KNOWN THAT

TIM NEAL TREADWAY

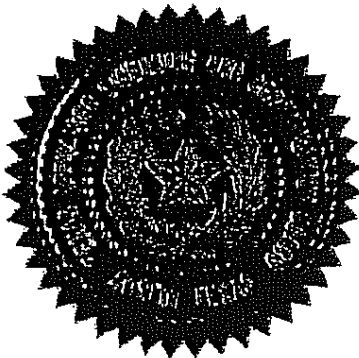
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**STATE CERTIFIED
GENERAL REAL ESTATE APPRAISER**

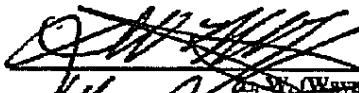
Number: TX-1323331-G

Date of Issue: September 13, 2004

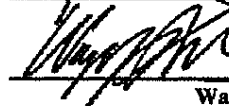
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In Witness Whereof



L.W. (Wayne) Mayo, Chair



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Dona S. Scurry, Secretary
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Paul E. Moore

QUALIFICATIONS OF TIM N. TREADWAY, MAI, CCIM

Professional Affiliations

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CCIM – Certified Commercial Investment Member #8706
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State Certified - General Real Estate Appraiser – AR-CG1712N
State Certified – General Real Estate Appraiser – LA - G1172

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1984 - 1986: Joseph B. Muller Appraisals - Residential Valuations

Clients and Types of Property Appraised:

In connection with above employment, clients include pension funds, advisors, corporations, condemnation authorities, financial institutions, attorneys, individuals, and courts. In this capacity, appraisals and consultation services have been provided on commercial properties, subdivisions, farms, ranches, residences, apartments, industrial properties, and a wide variety of special purpose properties including salt dome storage facilities, Low Income & Senior housing facilities, partial undivided interest, etc.

Education

Graduate - Guitar Institute of Technology, Hollywood, California
Home building and Inspector courses at Houston Community College
Society of Real Estate Appraisers - Courses 101 and 102 in residential valuation
Capitalization Theory and Technique Classes A & B - American Institute of Real Estate Appraisers
Case Studies - American Institute of Real Estate Appraisers
Standards and Ethics - American Institute of Real Estate Appraisers
Report Writing and Comprehensive Real Estate Review - Appraisal Institute
FIRREA Seminar - Appraisal Institute
FHA Appraisals - Appraisal Institute
Understanding Limited Appraisals - Appraisal Institute
Ranch Valuation - Appraisal Institute
Certified Commercial Investment Member Course 101 – Financial Analysis
Certified Commercial Investment Member Course 102 – Market Analysis

QUALIFICATIONS OF TIM N. TREADWAY, MAI, Cont.

Certified Commercial Investment Member Course 104 – Investment Analysis

QUALIFICATIONS OF TIM N. TREADWAY, MAI, Cont.

Other

1995 Chairman of the Demonstration Verification Report Committee - Houston
Chapter of the Appraisal Institute
Taught Residential Valuation - guest speaker at San Jacinto College
Developed and analyzed retail shopping center and various projects - Including
Restaurant with Houston developer David Cottrell
Tenant Representation Office/Retail/Warehouse
Brokerage Services various properties
Property Management multi-tenant storage facility
Qualified as expert witness Commissioners court
Qualified as expert witness Federal Court
Contributing author to the Houston Business Journal
Invited by TDHCA to participate in 2000/2001 round table discussions to help
determine policy/guidelines
HUD Certified / MAP Program

EXHIBIT "B"

Informal Telephone Survey

APARTMENT RATES 77040

Name	Telephone	1BR	Special?	HTC/SEC 8	1st Yr rate	TAXES
Autumn Glen Apartments	713-462-6767	\$350-495			350-495	
Bellagio Apt Townhomes *		\$860				860
Bellemade Apartments *		\$770				770
Beverly Wilshire Apartments		N.A				
Brandon Oaks Apartments	281-955-1288	\$565	\$465 (1Yr)	Sec 8		\$465
Broadstone @ Westway Park*		\$750				\$750
Camden Wilshire	713-895-7600					
Cherry Creek Apartments	713-460-9145	\$510				\$510
Courtland Properties	N?L					
Fawndale Apartments	713-462-0142	\$435	\$99 1st M			\$407
Franklin Apartments *		\$675				\$675
Hollister Place Apartments	713-460-2222	N/A				
Lafayette Green Apartments	713-762-0058	\$465				\$465
Las Ventanas	281-970-1330					
Park at Woodwind Lakes	713-466-9996	\$517-632		HTC	\$517-632	
Park West Apartments	713-462-5041	\$465				\$465
Pines of Northwest Crossing	713-462-4148	\$425				\$425
Quail Creek Apartments	713-460-0647	\$465		Sec 8		\$465 EXEMPT
Reserve at Woodwind Lakes	713-856-5656	\$725				\$725
Rolling Creek Apartments****		\$686		HTC		\$686
Rossllyn Heights	713-937-9803					
Savoy Manor Apartments	713-462-6429					
Shadow Creek Apartments	713-939-0222	\$425				\$425
Somerset Place Apartmentst	713-462-6767					
Somerset Apartments	713-762-5069	\$399				\$399
The Seasons Apartments	713-690-0505					
Thornbury Luxury Apt Homes	713-762-0959	\$720				\$720
Trails at Windfern	281-890-6824					
Trails at Steeplechase *	281-894-0073	\$625-895				\$625-895
Willow Run Townhomes	281-955-2356					
Wilshire Place Apartments	713-895-7600	\$475-\$600				\$475-\$600
Windfern Pointe Apts	713-466-5121	546		Sec 8		546 EXEMPT
Woodcreek Of NW Crossing	713-462-8860	N/A				
Woodland Trails Townhomes	713-683-8814					

77064

Ascot Court Apartments	281-955-6341	\$655				\$655
Chelsea Park Apartments	281-890-5066	\$539				\$539
Enclave at Willowbrook Apts	281-890-7661	\$555				\$555
Legacy Park Apartments	281-807-9077	\$685				\$685
Ranchstone Apartments	281-517-2200	\$728				\$728
Stone Canyon Apartments	281-970-7878	\$715	6MO-5%			\$715
West Brook Apartments	281-890-5678	\$775				\$775
Winchester Place Apts	281 890-6688	\$500				\$500
Windfern Meadows Condo Apt	281 469-9608	\$595				\$595

77065

Sugar Creek Apartments	281-970-1773	\$613	HTC/Sec8	HTC/Sec8		\$613
Sprucewood Apartments	281-807-6608	\$603	HTC 60%	HTC 60%		\$603

APARTMENT RATES 77040

Responses	32
Rates < Rolling Creek	22
HTC Properties	4
Accepts Sec 8	7 (incl HTC)

Housing Needs

The Primary Market area as described in the Cynosure Market Study is over built in all phases of multifamily units.

1. A survey by Apartment Data Services shows 80.4% occupancy in the PMA. Attached as **Exhibit "A"** is a true and correct copy of the survey.
2. A MAPQUEST search for apartments near the proposed Rolling Creek Apartments reveals 150+ apartment properties within 5.4 miles. Attached as **Exhibit "B"** is a true and correct copy of the MAPQUEST search for Apartments near Gatehouse Dr.
3. Research has identified 5 other properties operating for low-moderate Income families as defined in our Proximity to Rolling Creek Section.

This application should be denied because the need for additional housing does not exist.

EXHIBIT "A"

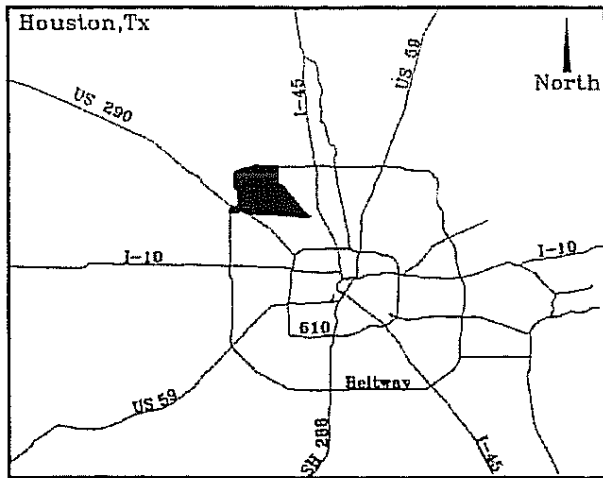
**Apartment Data Services
Survey of PMA**



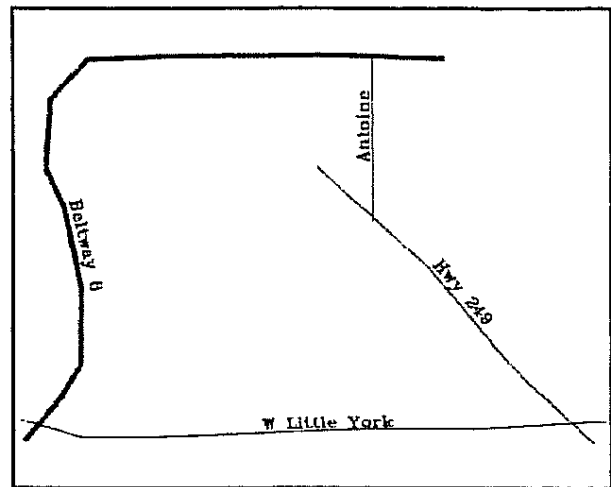
Inwood/ Northwest
Houston, Tx
September 20, 2005

Prepared by:
Tim Treadway
Gerald A Teel Co
974 Campbell #204
Houston, TX 77024
713/467-5858

Inwood/ Northwest
Market-TRAC - September 20, 2005 - Houston, Tx



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Market Summary: This table shows the general statistics for the market. The prices and rental rates are displayed as effective - net of concessions and electric utility adjustments.

# of Operating Communities	34
# of Operating Units	6,479
Avg Units/Community	191
Avg Size (sf)	869
Avg Price (\$/mo)	576
Avg Rental Rate (¢/sf/mo)	66.3
Avg Occupancy	80.4%

Occupancy & Rental Rate Trends: This table shows the occupancy and rental rate trends that have occurred over the last 3, 6 and 12 months. These trends are expressed in annualized terms.

Occupancy:	Last 3 months	2.4%
	Last 6 months	3.2%
	Last 12 months	-6.9%
Rental Rates:	Last 3 months	-2.0%
	Last 6 months	2.1%
	Last 12 months	-0.7%

Absorption: This table shows the absorption (change in the number of occupied units) for the market on a quarterly basis. The table displays the number of units absorbed as well as the percentage of units absorbed in relation to the total number of units in the market. (* indicates partial quarter)

7/05 to 8/05*	Units absorbed	13
	% of market	0.20%
4/05 to 6/05	Units absorbed	36
	% of market	0.56%
1/05 to 3/05	Units absorbed	-16
	% of market	-0.26%
10/04 to 12/04	Units absorbed	-66
	% of market	-1.07%

Construction: This table shows the new construction that has occurred in the market. The average year of construction is calculated based on the number of communities and the number of units in the market.

Units built in 2000 or after	1,424
% of market	22.0%
Avg YOC/communities	1986
Avg YOC/units	1987

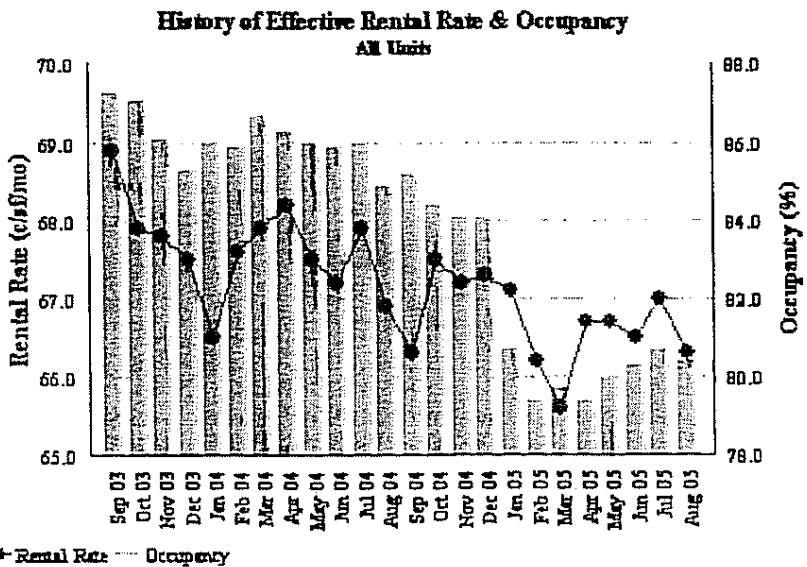
Deposits/Rental Concessions: This table shows the deposits and rental concessions for the market. Three types of concessions are tracked: move-in specials, months free specials and floorplan specific specials.

Avg Security Deposit	\$210
Avg Pet Deposit	\$313
# of communities with:	
Move-in Specials	9
Months Free Specials	7
Floorplan Specials	12

Floorplans (ALL): This table shows statistics for ALL the units in the market. Along with the totals, the table displays the information by Class (A,B,C and D). Prices and rental rates are displayed as effective - net of concessions and electric utility adjustments.

	<u>Total</u>	<u>Class A</u>	<u>Class B</u>	<u>Class C</u>	<u>Class D</u>
# of Communities	34	7	22	5	-
# of Units	6,479	1,668	4,148	663	-
Avg Size (sf)	869	928	855	804	-
Avg Price (\$/mo)	576	726	540	428	-
Avg Rental Rate (¢/sf/mo)	66.3	78.2	63.1	53.3	-
Occupancy	80.4%	87.5%	77.2%	82.5%	-

Date	Units	Price	Rate	Occ%	Absorbed
Sep 03	6,154	584	68.9	87.3	
Oct 03	6,154	576	67.9	87.1	-12
Nov 03	6,154	575	67.8	86.1	-62
Dec 03	6,154	572	67.5	85.3	-49
Jan 04	6,154	564	66.5	86.0	43
Feb 04	6,154	573	67.6	85.9	-6
Mar 04	6,154	576	67.9	86.7	49
Apr 04	6,154	578	68.2	86.3	-25
May 04	6,154	572	67.5	86.0	-18
Jun 04	6,154	570	67.2	85.9	-6
Jul 04	6,154	576	67.9	86.0	6
Aug 04	6,154	567	66.9	84.9	-68
Sep 04	6,154	562	66.3	85.2	18
Oct 04	6,154	572	67.5	84.4	-48
Nov 04	6,154	570	67.2	84.1	-18
Dec 04	6,154	571	67.3	84.1	0
Jan 05	6,477	583	67.1	80.7	49
Feb 05	6,477	575	66.2	79.4	-84
Mar 05	6,477	569	65.6	79.7	19
Apr 05	6,477	580	66.7	80.0	-22
May 05	6,477	580	66.7	80.0	39
Jun 05	6,477	578	66.5	80.3	19
Jul 05	6,477	582	67.0	80.7	31
Aug 05	6,479	576	66.3	80.4	-18

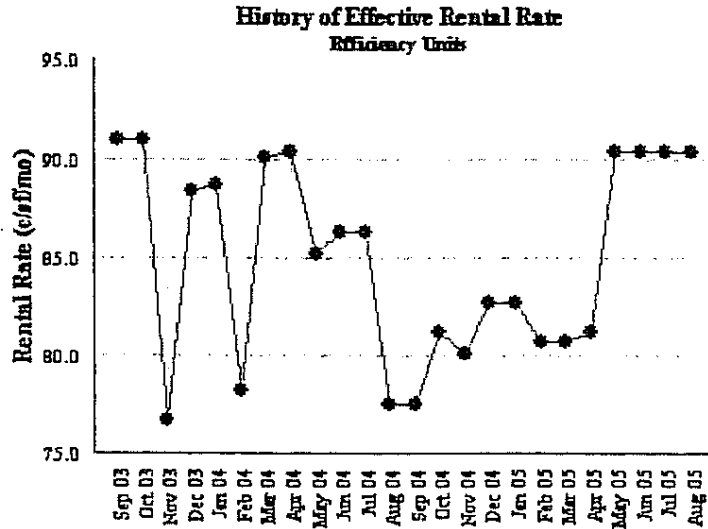


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Floorplans (Efficiencies): This table shows statistics for the EFFICIENCY units in the market. Along with the totals, the table displays the information by Class (A,B,C and D). Prices and rental rates are displayed as effective - net of concessions and electric utility adjustments.

	<u>Total</u>	<u>Class A</u>	<u>Class B</u>	<u>Class C</u>	<u>Class D</u>
# of Communities	2	1	1	-	-
# of Units	48	32	16	-	-
Avg Size (sf)	467	476	450	-	-
Avg Price (\$/mo)	422	430	406	-	-
Avg Rental Rate (¢/sf/mo)	90.3	90.3	90.2	-	-

Date	Units	Price	Rate
Sep 03	48	425	91.0
Oct 03	48	425	91.0
Nov 03	48	358	76.7
Dec 03	48	413	88.4
Jan 04	48	414	88.7
Feb 04	48	365	78.2
Mar 04	48	421	90.1
Apr 04	48	422	90.4
May 04	48	398	85.2
Jun 04	48	403	86.3
Jul 04	48	403	86.3
Aug 04	48	362	77.5
Sep 04	48	362	77.5
Oct 04	48	379	81.2
Nov 04	48	374	80.1
Dec 04	48	386	82.7
Jan 05	48	386	82.7
Feb 05	48	377	80.7
Mar 05	48	377	80.7
Apr 05	48	379	81.2
May 05	48	422	90.4
Jun 05	48	422	90.4
Jul 05	48	422	90.4
Aug 05	48	422	90.4

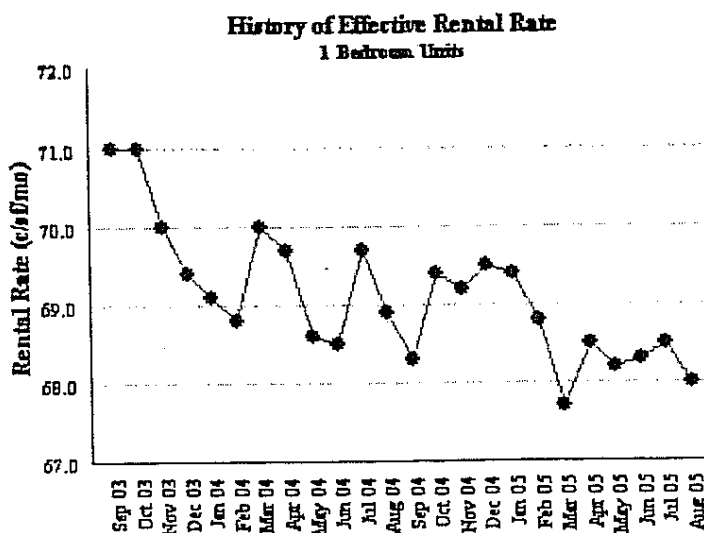


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Floorplans (1-Bedrooms): This table shows statistics for the 1 BEDROOM units in the market. Along with the totals, the table displays the information by Class (A,B,C and D). Prices and rental rates are displayed as effective - net of concessions and electric utility adjustments.

	<u>Total</u>	<u>Class A</u>	<u>Class B</u>	<u>Class C</u>	<u>Class D</u>
# of Communities	28	6	18	4	-
# of Units	2,889	548	1,961	380	-
Avg Size (sf)	682	707	683	644	-
Avg Price (\$/mo)	464	607	444	361	-
Avg Rental Rate (¢/sf/mo)	68.0	85.9	65.0	56.0	-

Date	Units	Price	Rate
Sep 03	2,774	475	71.0
Oct 03	2,774	475	71.0
Nov 03	2,774	468	70.0
Dec 03	2,774	464	69.4
Jan 04	2,774	462	69.1
Feb 04	2,774	460	68.8
Mar 04	2,774	468	70.0
Apr 04	2,774	466	69.7
May 04	2,774	459	68.6
Jun 04	2,774	458	68.5
Jul 04	2,774	466	69.7
Aug 04	2,774	461	68.9
Sep 04	2,774	457	68.3
Oct 04	2,774	464	69.4
Nov 04	2,774	463	69.2
Dec 04	2,774	465	69.5
Jan 05	2,889	473	69.4
Feb 05	2,889	469	68.8
Mar 05	2,889	462	67.7
Apr 05	2,889	467	68.5
May 05	2,889	465	68.2
Jun 05	2,889	466	68.3
Jul 05	2,889	467	68.5
Aug 05	2,889	464	68.0

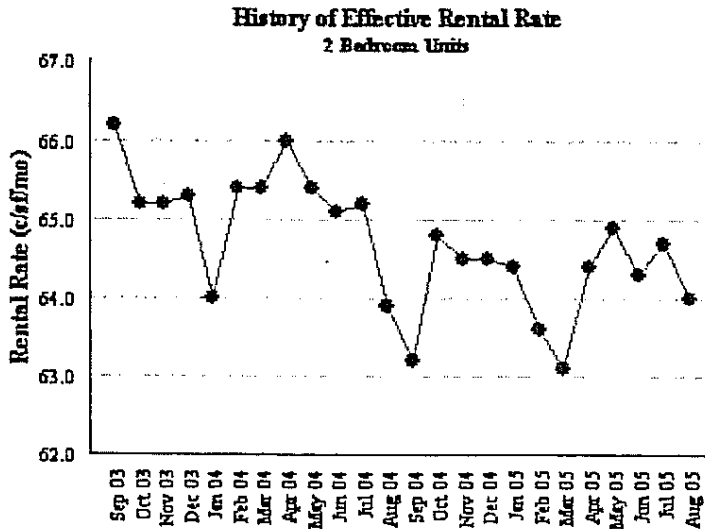


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Floorsplans (2-Bedrooms): This table shows statistics for the 2 BEDROOM units in the market. Along with the totals, the table displays the information by Class (A,B,C and D). Prices and rental rates are displayed as effective - net of concessions and electric utility adjustments.

	<u>Total</u>	<u>Class A</u>	<u>Class B</u>	<u>Class C</u>	<u>Class D</u>
# of Communities	34	7	22	5	-
# of Units	2,929	834	1,819	276	-
Avg Size (sf)	1,000	1,015	992	1,011	-
Avg Price (\$/mo)	640	761	603	521	-
Avg Rental Rate (¢/sf/mo)	64.0	75.0	60.8	51.5	-

Date	Units	Price	Rate
Sep 03	2,767	649	66.2
Oct 03	2,767	640	65.2
Nov 03	2,767	640	65.2
Dec 03	2,767	641	65.3
Jan 04	2,767	628	64.0
Feb 04	2,767	642	65.4
Mar 04	2,767	642	65.4
Apr 04	2,767	647	66.0
May 04	2,767	642	65.4
Jun 04	2,767	639	65.1
Jul 04	2,767	640	65.2
Aug 04	2,767	627	63.9
Sep 04	2,767	620	63.2
Oct 04	2,767	636	64.8
Nov 04	2,767	633	64.5
Dec 04	2,767	633	64.5
Jan 05	2,927	644	64.4
Feb 05	2,927	636	63.6
Mar 05	2,927	631	63.1
Apr 05	2,927	644	64.4
May 05	2,927	649	64.9
Jun 05	2,927	643	64.3
Jul 05	2,927	647	64.7
Aug 05	2,929	640	64.0

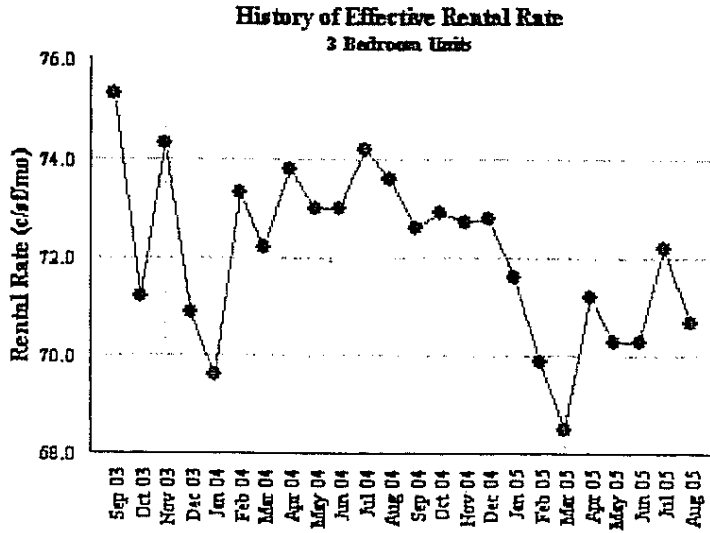


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Floorplan: (3-Bedrooms): This table shows statistics for the 3 BEDROOM units in the market. Along with the totals, the table displays the information by Class (A,B,C and D). Prices and rental rates are displayed as effective - net of concessions and electric utility adjustments.

	<u>Total</u>	<u>Class A</u>	<u>Class B</u>	<u>Class C</u>	<u>Class D</u>
# of Communities	12	5	6	1	-
# of Units	569	254	308	7	-
Avg Size (sf)	1,158	1,178	1,139	1,301	-
Avg Price (\$/mo)	819	901	761	420	-
Avg Rental Rate (¢/sf/mo)	70.7	76.4	66.8	32.3	-

Date	Units	Price	Rate
Sep 03	521	839	75.3
Oct 03	521	793	71.2
Nov 03	521	828	74.3
Dec 03	521	790	70.9
Jan 04	521	775	69.6
Feb 04	521	817	73.3
Mar 04	521	804	72.2
Apr 04	521	822	73.8
May 04	521	813	73.0
Jun 04	521	813	73.0
Jul 04	521	827	74.2
Aug 04	521	820	73.6
Sep 04	521	809	72.6
Oct 04	521	812	72.9
Nov 04	521	810	72.7
Dec 04	521	811	72.8
Jan 05	569	830	71.6
Feb 05	569	810	69.9
Mar 05	569	794	68.5
Apr 05	569	825	71.2
May 05	569	815	70.3
Jun 05	569	815	70.3
Jul 05	569	837	72.2
Aug 05	569	819	70.7



PARK AT WOODWIND LAKES
 14333 PHILIPPINE ST
 HOUSTON TX 77040
 (713) 466-9996

MAP: 409-M
 SCHOOL DIST: SISD
 CENSUS TRACT: *21.000000*
 # UNITS: 144
 YR BLT/RENO: 2002
 OCCUPANCY: 96
 COUNTY: HARRIS
 ELECTRIC: RESIDENTIAL *LL APID WATER/Sewer*
 APP FEE: \$35

MGT CO: TRAMMELL CROW RESIDENTIAL
 LSE TERM: 6-12
 PARKING:
 PETS: <25#/\$300 (150 NR)

AMENITIES:			
<input checked="" type="checkbox"/> Pools (1)	<input checked="" type="checkbox"/> BBQ Grill	<input type="checkbox"/> Self-Clean Oven	<input checked="" type="checkbox"/> Ceiling Fan
<input checked="" type="checkbox"/> Laundry (1)	<input checked="" type="checkbox"/> Playground	<input type="checkbox"/> Cont-Clean Oven	<input checked="" type="checkbox"/> Patio/Balcony
<input type="checkbox"/> Tennis	<input checked="" type="checkbox"/> Fitness Center	<input type="checkbox"/> Double Oven	<input type="checkbox"/> Extra Storage
<input type="checkbox"/> Water V-ball	<input checked="" type="checkbox"/> Jogging Trail	<input checked="" type="checkbox"/> F.F. Refrig	<input type="checkbox"/> Linen Closet
<input type="checkbox"/> Volleyball	<input checked="" type="checkbox"/> Soc Activities	<input checked="" type="checkbox"/> Ice Maker	<input checked="" type="checkbox"/> Mini-Blinds
<input type="checkbox"/> Basketball	<input checked="" type="checkbox"/> Access Gates	<input checked="" type="checkbox"/> Dishwasher	<input checked="" type="checkbox"/> Private Alarms
<input type="checkbox"/> Racquetball	<input checked="" type="checkbox"/> On-Site Mgmt	<input checked="" type="checkbox"/> Disposal	<input type="checkbox"/> Vaulted Ceil
<input type="checkbox"/> Jacuzzi	<input checked="" type="checkbox"/> Courtesy Patrol	<input checked="" type="checkbox"/> Microwave	<input type="checkbox"/> Vanity
<input type="checkbox"/> Sauna	<input type="checkbox"/> Road Service	<input checked="" type="checkbox"/> Pantry	<input checked="" type="checkbox"/> Walk-In Closet
<input checked="" type="checkbox"/> Clubhouse	<input checked="" type="checkbox"/> Corporates		<input type="checkbox"/> Wall-Wall Crpt

Historical Report
 Including 5-Year
 Historical Charts

NOTES: W/D Rental +\$35/mo.

UNIT INFORMATION

MIX	DESCRIPTION	W/D	FP	SQ. FEET	MO. RENT	DPST	S/SF	ANNUAL INCOME
26	1/1	FC		661	513- 675	100	0.90	185,328
72	2/2.5 Townhome	FC		1048	614- 921	100	0.73	663,120
46	3/2.5 Townhome	FC		1191	706-1058	100	0.74	486,864
144	TOTALS			147,428	111,276			1,335,312
	AVERAGES			1,023	772		0.75	

SPECIALS:

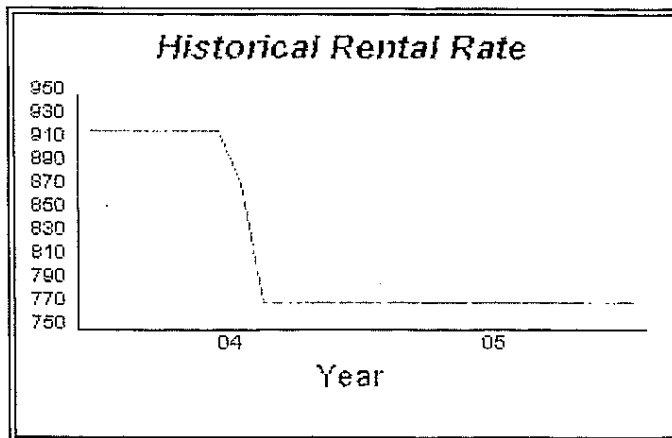
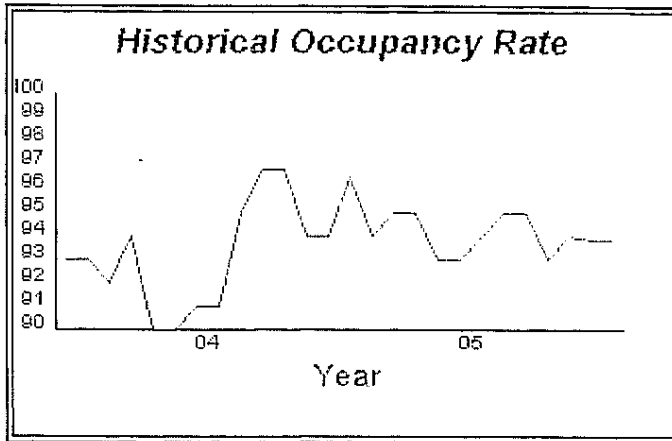
Information obtained from sources deemed reliable, but is not guaranteed.
 ALN Systems, Inc. • 972/931-2553 or 800/643-6416 • www.alnsystems.com

HISTORY REPORT FOR PARK AT WOODWIND LAKES

Month	Ave. Rent	Occupancy		Month	Ave. Rent	Occupancy
Jul 05	772.75	93.8		Jan 05	772.75	93.0
Jun 05	772.75	94.0		Dec 04	772.75	93.0
May 05	772.75	93.0		Nov 04	772.75	95.0
Apr 05	772.75	95.0		Oct 04	772.75	95.0
Mar 05	772.75	95.0		Sep 04	772.75	94.0
Feb 05	772.75	94.0		Aug 04	772.75	96.5

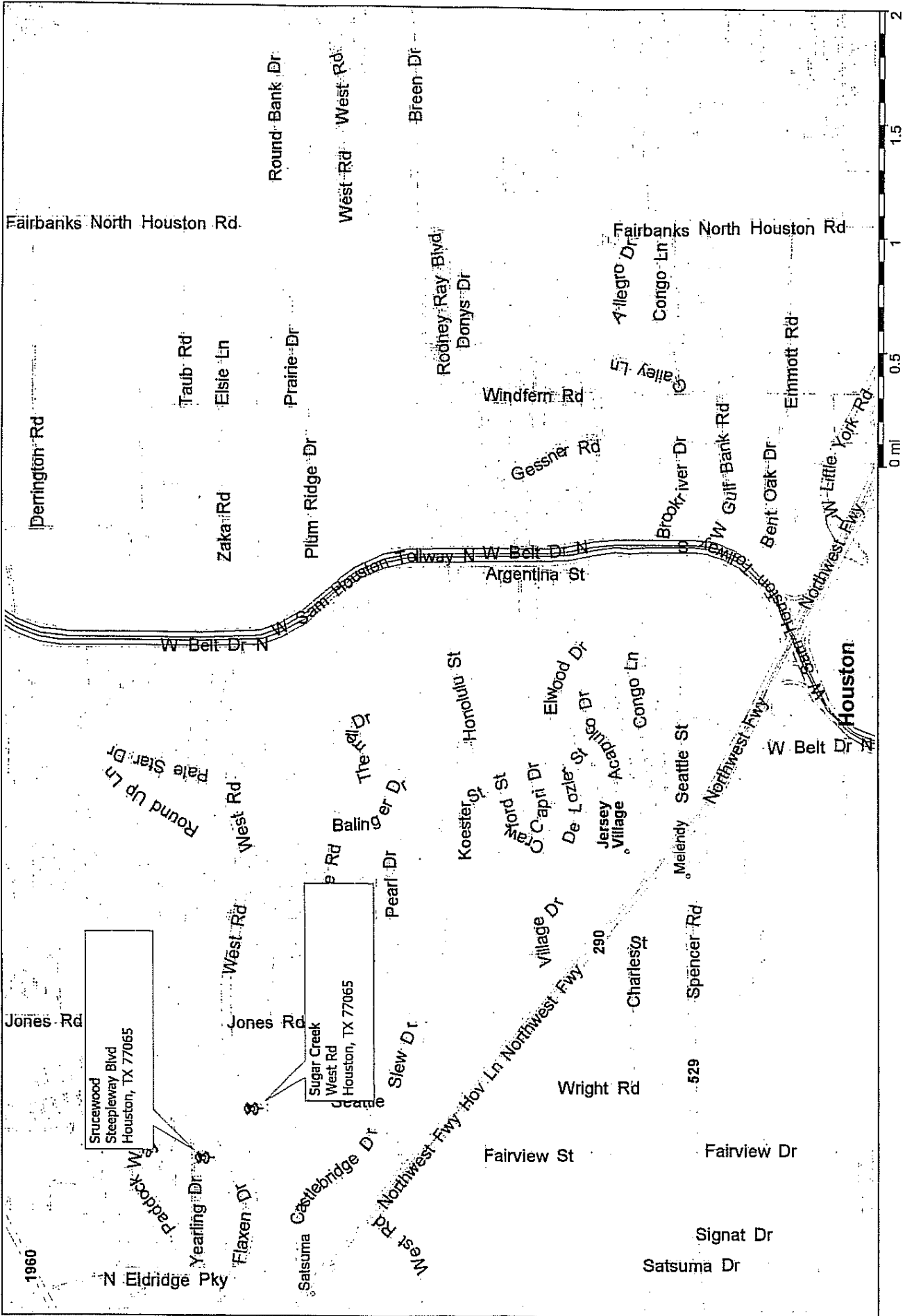
SPECIALS/CONCESSIONS

- Jul 05: No Deposit; 2mo. Free On 3Brs.-Upfront Or Prorated.
- Jun 05: No Deposit; 2mo. Free On 3Brs.-Upfront Or Prorated.
- May 05: No Deposit; 2mo. Free On 3Brs.-Upfront Or Prorated.
- Apr 05: No Deposit.
- Mar 05: No Deposit.
- Feb 05: \$99 Total Move In.
- Jan 05: No Deposit; \$599/mo 1Brs.
- Dec 04: No Deposit; \$599/mo 1Brs.
- Nov 04: No Deposit; \$599/mo 1Brs.
- Oct 04: No Deposit; \$599/mo 1Brs.
- Sep 04: No Deposit. \$599/mo 1Brs.
- Aug 04: No Deposit.



Information obtained from sources deemed reliable but is not guaranteed.
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Texas, United States, North America



SUGAR CREEK
 11501 WEST RD
 HOUSTON TX 77065
 (281) 970-1773

MAP: 409-B
 SCHOOL DIST: CY FA
 CENSUS TRACT:
 # UNITS: 240
 YR BLT/RENO: 2002
 OCCUPANCY: 96
 COUNTY: HARRIS
 ELECTRIC: COMMERCIAL ELECTRIC
 APP FEE: \$35

7th Floor
all 60%
TENANT PAID WATER/SEWER

MGT CO: ORION REAL ESTATE SERVICES
 LSE TERM: 12
 PARKING: OPEN/ATT&DET.GAR.
 PETS: <20#/\$300 (100 NR)

Historical Report Including 5-Year Historical Charts	AMENITIES:		
	<input checked="" type="checkbox"/> Pools (1) <input checked="" type="checkbox"/> Laundry (1) <input type="checkbox"/> Tennis <input type="checkbox"/> Water V-ball <input type="checkbox"/> Volleyball <input type="checkbox"/> Basketball <input type="checkbox"/> Racquetball <input type="checkbox"/> Jacuzzi <input type="checkbox"/> Sauna <input type="checkbox"/> Clubhouse	<input type="checkbox"/> BBQ Grill <input checked="" type="checkbox"/> Playground <input checked="" type="checkbox"/> Fitness Center <input type="checkbox"/> Jogging Trail <input type="checkbox"/> Soc Activities <input checked="" type="checkbox"/> Access Gates <input checked="" type="checkbox"/> On-Site Mgmt <input type="checkbox"/> Courtesy Patrol <input type="checkbox"/> Road Service <input type="checkbox"/> Corporates	<input type="checkbox"/> Self-Clean Oven <input type="checkbox"/> Cont-Clean Oven <input type="checkbox"/> Double Oven <input checked="" type="checkbox"/> F.F. Refrig <input checked="" type="checkbox"/> Ice Maker <input checked="" type="checkbox"/> Dishwasher <input checked="" type="checkbox"/> Disposal <input checked="" type="checkbox"/> Microwave <input checked="" type="checkbox"/> Pantry

NOTES: Business center, computer learning center. 24hr laundry center. Activity & arts and craft center. Pre wired alarms

UNIT INFORMATION

MIX	DESCRIPTION	W/D	FP	SQ. FEET	MO. RENT	DPST	\$/SF	ANNUAL INCOME
80	1/1	FC		680	613	100	0.90	588,480
56	2/2	FC		957	731	300	0.76	491,232
64	2/2	FC		975	731	300	0.75	561,408
40	3/2	FC		1140	838	400	0.74	402,240
240	TOTALS			215,992	170,280			2,043,360
	AVERAGES			899	709		0.79	

SPECIALS:

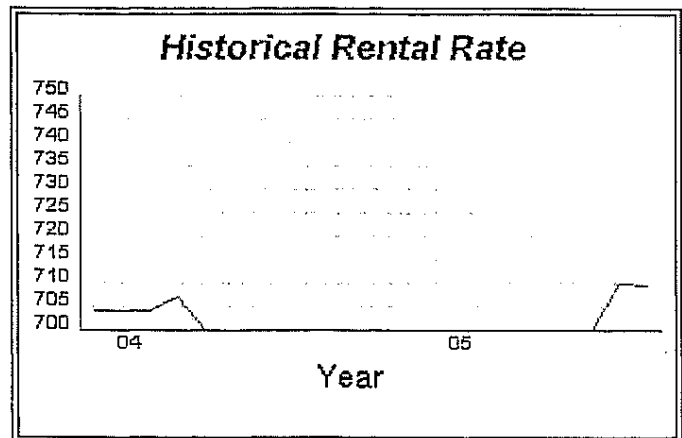
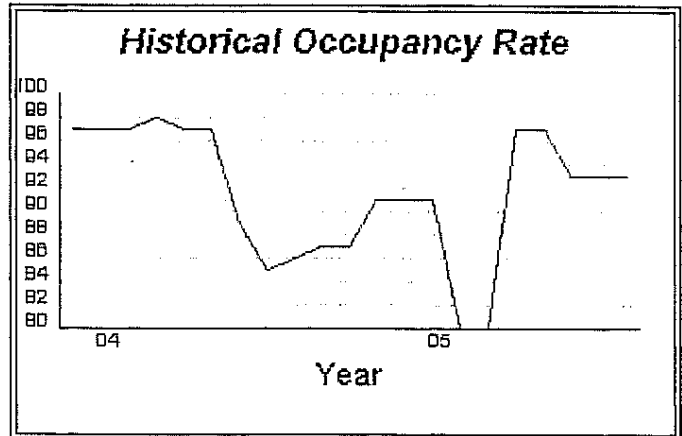
Information obtained from sources deemed reliable, but is not guaranteed.
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HISTORY REPORT FOR SUGAR CREEK

Month	Ave. Rent	Occupancy		Month	Ave. Rent	Occupancy
Jul 05	709.50	n/a		Jan 05	699.83	91.0
Jun 05	699.83	93.0		Dec 04	699.83	91.0
May 05	699.83	97.0		Nov 04	699.83	91.0
Apr 05	699.83	97.0		Oct 04	699.83	87.0
Mar 05	699.83	80.0		Sep 04	699.83	87.0
Feb 05	699.83	80.0		Aug 04	699.83	86.0

SPECIALS/CONCESSIONS

- Jul 05: 1/2 Deposit w/Approved Credit; \$200 Off 1st Mo.
- Jun 05: 1/2 Deposit w/Approved Credit; 1st Mo. Free w/Approved Credit 12 Mo Ls.
- May 05: 1/2 Deposit w/Approved Credit; \$200 1st Mo. Rent w/Approved Credit.
- Apr 05: \$85 Deposit + \$565/mo. 1Brs.
- Mar 05: \$85 Deposit + \$565/mo. 1Brs.
- Feb 05: \$85 Deposit + \$565/mo. 1Brs.
- Jan 05: \$85 Deposit + \$565/mo. 1Brs.
- Dec 04: \$85 Deposit + \$565/mo. 1Brs.
- Nov 04: No Deposit + \$565/mo. 1Brs.
- Oct 04: 6wks Free 1Brs or \$565/mo.
- Sep 04: 6wks Free 1Brs or \$565/mo.
- Aug 04: 6wks Free 1Brs or \$565/mo.



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SPRUCEWOOD
 12101 STEEPLWAY
 HOUSTON TX 77065
 (281) 807-6608

MAP: 409-A
 SCHOOL DIST: CY-FA
 CENSUS TRACT:
 # UNITS: 152
 YR BLT/RENO: 1999
 OCCUPANCY: 95
 COUNTY: HARRIS
 ELECTRIC: COMMERCIAL ELECTRIC
 APP FEE: \$35

MGT CO: TEXAS INTER-FAITH MGMT
 LSE TERM: 12
 PARKING: ATTACHED GARAGE
 PETS: <15#/\$400 (200 NR)/1 Max

11/10/05
11/10/05
10/01
50%
TENANT WATER / SEWER

Historical Report Including 5-Year Historical Charts	AMENITIES:			
	<input checked="" type="checkbox"/> Pools (1) <input checked="" type="checkbox"/> Laundry (1) <input type="checkbox"/> Tennis <input type="checkbox"/> Water V-ball <input type="checkbox"/> Volleyball <input type="checkbox"/> Basketball <input type="checkbox"/> Racquetball <input type="checkbox"/> Jacuzzi <input type="checkbox"/> Sauna <input type="checkbox"/> Clubhouse	<input type="checkbox"/> BBQ Grill <input checked="" type="checkbox"/> Playground <input checked="" type="checkbox"/> Fitness Center <input type="checkbox"/> Jogging Trail <input checked="" type="checkbox"/> Soc Activities <input checked="" type="checkbox"/> Access Gates <input type="checkbox"/> On-Site Mgmt <input checked="" type="checkbox"/> Courtesy Patrol <input type="checkbox"/> Road Service <input type="checkbox"/> Corporates	<input type="checkbox"/> Self-Clean Oven <input type="checkbox"/> Cont-Clean Oven <input type="checkbox"/> Double Oven <input checked="" type="checkbox"/> F.F. Refrig <input checked="" type="checkbox"/> Ice Maker <input checked="" type="checkbox"/> Dishwasher <input checked="" type="checkbox"/> Disposal <input checked="" type="checkbox"/> Microwave <input checked="" type="checkbox"/> Pantry	<input checked="" type="checkbox"/> Ceiling Fan <input checked="" type="checkbox"/> Patio/Balcony <input type="checkbox"/> Extra Storage <input checked="" type="checkbox"/> Linen Closet <input checked="" type="checkbox"/> Mini-Blinds <input type="checkbox"/> Private Alarms <input checked="" type="checkbox"/> Vaulted Ceil <input type="checkbox"/> Vanity <input checked="" type="checkbox"/> Walk-In Closet <input checked="" type="checkbox"/> Wall-Wall Crpt

NOTES: Digital TV available, computer lab, entertainment room

UNIT INFORMATION

MIX	DESCRIPTION	W/D	FP	SQ. FEET	MO. RENT	DPST	\$/SF	ANNUAL INCOME
44	1/1	FC		727	720	300	0.99	380,160
60	2/2	FC		991	883	300	0.89	635,760
48	3/2	FC		1076	994	300	0.92	572,544
152	TOTALS			143,096	132,372			1,588,464
	AVERAGES			941	870		0.93	

SPECIALS: \$99 Total Move In.

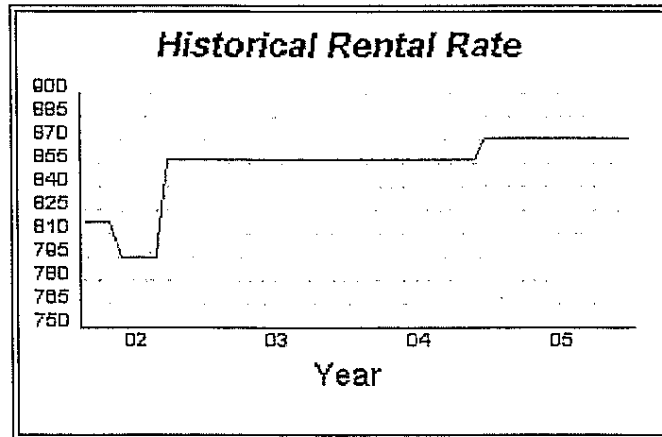
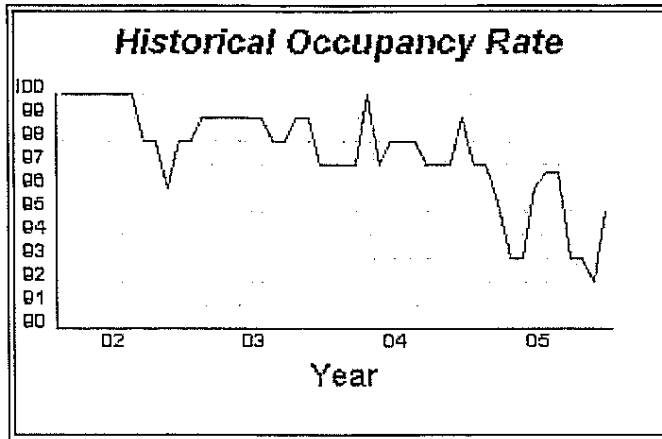
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HISTORY REPORT FOR SPRUCEWOOD

Month	Ave. Rent	Occupancy		Month	Ave. Rent	Occupancy
Jul 05	870.86	92.0		Jan 05	870.86	93.0
Jun 05	870.86	93.0		Dec 04	870.86	93.0
May 05	870.86	93.0		Nov 04	870.86	95.4
Apr 05	870.86	n/a		Oct 04	870.86	97.0
Mar 05	870.86	96.7		Sep 04	870.86	97.0
Feb 05	870.86	96.0		Aug 04	870.86	99.0

SPECIALS/CONCESSIONS

Jul 05: \$99 Total Move In.
 Jun 05: \$99 Total Move In.
 May 05: \$99 Total Move In.
 Apr 05: \$99 Total Move In.
 Mar 05: \$99 Total Move In.
 Feb 05: \$99 Total Move In.
 Jan 05: \$99 Total Move In.
 Dec 04: \$99 Total Move In.
 Nov 04: \$99 Total Move In.
 Oct 04: \$99 Total Move In.
 Sep 04: \$99 Total Move In.
 Aug 04: No Specials



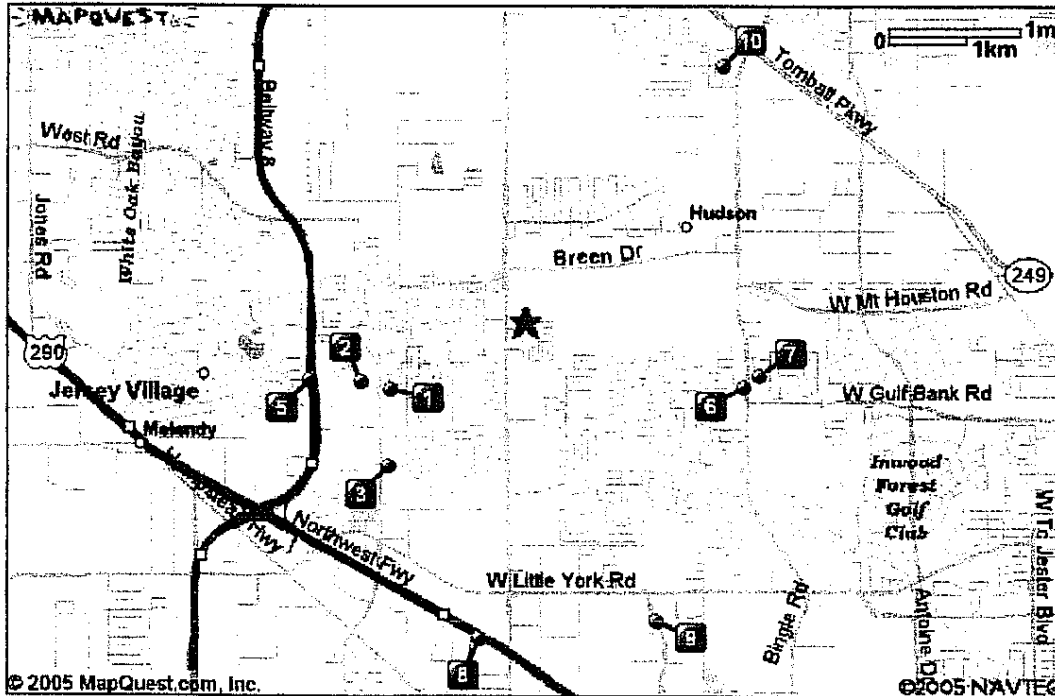
Information obtained from sources deemed reliable but is not guaranteed.
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EXHIBIT "B"

**MAPQUEST Search for
Apartments near Gatehouse Dr**



Apartments near ★ [7913-7999] Gatehouse Dr, Houston, TX 77040



- 1) **Park At Woodwind Lakes**
14333 Philippine St, Houston, TX (1.12 miles away)
713-466-9996
- 2) **Reserve At Woodwind Lakes**
14555 Philippine St, Houston, TX (1.30 miles away)
713-856-5656
- 3) **Windfern Pointe**
9515 W Gulf Bank Rd, Houston, TX (1.43 miles away)
713-466-5121
- 4) * **Highland Terrace Apartments**
Houston, TX
713-460-3063
- 5) **Bellagio Apartments**
15000 Philippine St, Houston, TX (1.66 miles away)
713-896-7777
- 6) **Roslyn Heights Quadriplexes**
7015 Woodsman Trl # 1102, Houston, TX (1.73 miles away)
713-937-9803
- 7) **Stanford Properties Inc**
10110 Wild Hollow Ln, Houston, TX (1.82 miles away)

281-260-0083

8) Studio 6

14255 NW Fwy, Houston, TX (2.22 miles away)
713-895-2900

9) Thornbury Luxury Apartment

7055 Hollister St, Houston, TX (2.30 miles away)
713-462-0959

10) Champion Forrest Apartments

7330 Silent Wood Ln # 201, Houston, TX (2.31 miles away)
281-999-7377

** Not all locations have enough information to get maps or directions.*

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- [Orlando Florida](#)
- [Resorts](#)
- [Airports](#)
- [Vacation Home](#)



Apartments near ★ [7913-7999] Gatehouse Dr, Houston, TX 77040

11) Seasons

6969 Hollister St, Houston, TX (2.37 miles away)
713-690-0505

12) Willow Brook Crossing

7150 Smiling Wood Ln, Houston, TX (2.40 miles away)
281-591-6029

13) Cedar Pointe

7610 Fallbrook Dr, Houston, TX (2.47 miles away)
281-444-8168

14) In Town Suites

14041 Northwest Fwy, Houston, TX (2.47 miles away)
713-462-7200

15) El Conquistador Pasaderia

8606 N Houston Rosslyn Rd, Houston, TX (2.47 miles away)
713-466-8450

16) Saddlewood Apartments

9955 Bammel North Houston Rd, Houston, TX (2.55 miles away)
281-445-8686

17) Willowbrook Point Apartments

14150 State Highway 249, Houston, TX (2.55 miles away)
281-445-9137

18) Inwood Meadows Apartments

9021 Antoine Dr, Houston, TX (2.55 miles away)
281-931-0725

19) Corporate Apartment Network

6565 Hollister St, Houston, TX (2.60 miles away)
713-996-9659

20) Hollister Place Apartments

6565 Hollister St, Houston, TX (2.60 miles away)
713-460-4290

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Apartments near ★ [7913-7999] Gatehouse Dr, Houston, TX 77040

21) Summertree Park Apartments

7100 Smiling Wood Ln, Houston, TX (2.63 miles away)
281-820-4346

22) Meridian Apartments

10200 Old Bammel N Houston Rd, Houston, TX (2.65 miles away)
281-999-9022

23) Chesapeake Village

8430 Antoine Dr, Houston, TX (2.67 miles away)
281-931-1037

24) Seton Chase

7703 Seton Lake Dr, Houston, TX (2.77 miles away)
281-580-0296

25) Village of Inwood Inc

5710 W Mount Houston Rd, Houston, TX (2.79 miles away)
281-999-6800

26) Inwood Grove Apartments

7302 Alabonson Rd, Houston, TX (2.80 miles away)
281-591-6046

27) Savoy Manor

5915 Flintlock Rd, Houston, TX (2.80 miles away)
713-462-6429

28) Timbers of Inwood Forest

5850 W Gulf Bank Rd, Houston, TX (2.82 miles away)
281-999-2369

29) Bellmeade Apartment Homes

10802 Legacy Park Dr, Houston, TX (2.85 miles away)
832-912-7200

30) Briar Park Apartments

10401 Old Bammel N Houston Rd, Houston, TX (2.85 miles away)
281-537-2545

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Apartments near ★ [7913-7999] Gatehouse Dr, Houston, TX 77040

31) Apartments & Beyond

8222 Antoine Dr # 119, Houston, TX (2.88 miles away)
281-820-2787

32) Lafayette Green Apartments

8327 W Tidwell Rd, Houston, TX (2.90 miles away)
713-462-0058

33) Camden Wilshire

6000 Hollister St, Houston, TX (2.91 miles away)
713-895-7600

34) Somerset Apartments

8001 W Tidwell Rd, Houston, TX (2.94 miles away)
713-462-5069

35) Summer Set Pl

5757 Guhn Rd, Houston, TX (3.01 miles away)
713-462-6767

36) Woodcreek-Northwest Crossing

5800 Hollister St, Houston, TX (3.02 miles away)
713-462-8860

37) Cherry Creek Apartments

5801 Hollister St, Houston, TX (3.02 miles away)
713-460-9145

38) Park Lane Apartments

5714 W Gulf Bank Rd, Houston, TX (3.06 miles away)
281-999-1651

39) Fawndale Apartments

8103 Grow Ln, Houston, TX (3.07 miles away)
713-462-0142

40) Park West Apartments

8047 Grow Ln, Houston, TX (3.08 miles away)
713-462-5041

Switchboard: 1-800-4-A

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Apartments near ★ [7913-7999] Gatehouse Dr, Houston, TX 77040

- 41) Quail Creek Apartments**
7835 Grow Ln, Houston, TX (3.14 miles away)
713-460-0647
- 42) Park Lane Apartments**
5555 W Gulf Bank Rd, Houston, TX (3.18 miles away)
281-999-2495
- 43) Greens of Inwood**
5454 W Gulf Bank Rd # A, Houston, TX (3.32 miles away)
832-327-0972
- 44) Gables Corporate Apartment Hms**
7025 W Tidwell Rd # 104, Houston, TX (3.34 miles away)
713-895-9929
- 45) Oaks of Inwood Apartments**
5350 W Gulf Bank Rd, Houston, TX (3.55 miles away)
281-999-0909
- 46) Winchester Place Apartments**
10910 Gold Point Dr, Houston, TX (3.58 miles away)
281-890-6688
- 47) Streamside Place Apartments**
5335 W Gulf Bank Rd, Houston, TX (3.60 miles away)
281-445-0868
- 48) Woodglen Village Apartments**
11111 W Montgomery Rd, Houston, TX (3.64 miles away)
281-260-7677
- 49) Willowrun Condo Triplexs**
11240 Perry Rd, Houston, TX (3.64 miles away)
281-955-2356
- 50) Ranchstone Apartments**
10901 Ranchstone Dr, Houston, TX (3.64 miles away)
281-517-2200

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Apartments near ★ [7913-7999] Gatehouse Dr, Houston, TX 77040

- 51) Ascot Court**
10910 West Rd, Houston, TX (3.66 miles away)
281-955-6341
- 52) Stone Canyon Apartments**
10919 West Rd, Houston, TX (3.69 miles away)
281-970-7878
- 53) Shadow Creek Apartments**
7500 Pinemont Dr, Houston, TX (3.72 miles away)
713-939-0222
- 54) Trails At Steeplechase**
11011 Pleasant Colony Dr, Houston, TX (3.73 miles away)
281-894-0073
- 55) Trails At Corinthian Creek**
8655 Jones Rd, Houston, TX (3.73 miles away)
281-970-1000
- 56) Hunter Forest Apartments**
6407 Antoine Dr, Houston, TX (3.73 miles away)
713-683-1910
- 57) Pointe At Steeplechase**
8901 Jones Rd, Houston, TX (3.77 miles away)
281-890-8644
- 58) Camden Steeplechase**
9001 Jones Rd, Houston, TX (3.79 miles away)
281-890-2090
- 59) Pines of Northwest Crossing**
7200 Pinemont Dr, Houston, TX (3.83 miles away)
713-462-4148
- 60) Sterling Grove Apartments**
6240 Antoine Dr, Houston, TX (3.84 miles away)
713-681-2416

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Apartments near ★ [7913-7999] Gatehouse Dr, Houston, TX 77040

- 61) West Brook Apartments**
10990 West Rd, Houston, TX (3.87 miles away)
281-890-5678
- 62) Lexington Trails**
6200 W Tidwell Rd, Houston, TX (3.87 miles away)
713-956-8073
- 63) Aspen Apartments**
6150 W Tidwell Rd, Houston, TX (3.89 miles away)
713-688-6888
- 64) Falls On Antoine**
6101 Antoine Dr, Houston, TX (3.91 miles away)
713-688-8407
- 65) Gables of Inwood**
5600 Holly View Dr, Houston, TX (3.96 miles away)
713-680-1800
- 66) Pine Ridge Place Apartments**
5700 Thousand Oaks Cir, Houston, TX (4.01 miles away)
713-681-2424
- 67) Hollyview Apartments**
5555 Holly View Dr, Houston, TX (4.02 miles away)
713-688-6601
- 68) Antoine Village Apartments**
5550 Holly View Dr, Houston, TX (4.02 miles away)
713-957-2911
- 69) Evergreen Forest**
5801 W Sunforest Dr, Houston, TX (4.05 miles away)
713-688-9982
- 70) Crossings At Tidwell**
6000 Sunforest Dr, Houston, TX (4.07 miles away)
713-956-6363

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Apartments near ★ [7913-7999] Gatehouse Dr, Houston, TX 77040

- 71) Inwood Oaks Apartments**
3902 W Little York Rd, Houston, TX (4.10 miles away)
281-447-7277
- 72) Bristol Place**
11245 West Rd, Houston, TX (4.12 miles away)
281-727-2500
- 73) Trails At Rock Creek**
12502 Seattle Slew Dr, Houston, TX (4.13 miles away)
281-721-9700
- 74) Northwest Pines Apartments**
5801 N Houston Rosslyn Rd, Houston, TX (4.13 miles away)
713-681-8386
- 75) Jade Forest Apartments**
9301 Clay Rd # 17, Houston, TX (4.15 miles away)
713-462-4357
- 76) Northcove Apartments**
5500 De Soto St, Houston, TX (4.16 miles away)
713-956-6270
- 77) Windfern Meadows Apartments**
12919 Windfern Rd, Houston, TX (4.21 miles away)
281-469-9608
- 78) Oak Brook Apartments**
5353 De Soto St, Houston, TX (4.23 miles away)
713-957-2600
- 79) Sugar Creek Apartments**
11501 West Rd, Houston, TX (4.25 miles away)
281-970-1773
- 80) Hunter's Cove Apartments**
5300 De Soto St, Houston, TX (4.25 miles away)
713-688-3983

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Apartments near ★ [7913-7999] Gatehouse Dr, Houston, TX 77040

- 81) Trails At Windfern**
13035 Windfern Rd, Houston, TX (4.26 miles away)
281-890-6824

- 82) Arbor Oaks Apartments**
3500 W Little York Rd, Houston, TX (4.27 miles away)
281-447-8928

- 83) Sprucewood Apartments**
12200 Steepleway Blvd, Houston, TX (4.31 miles away)
281-807-6608

- 84) Chelsea Park Apartments**
11000 Crescent Moon Dr, Houston, TX (4.32 miles away)
281-890-5066

- 85) Inwood Village Fourplexes**
7200 W T C Jester Blvd, Houston, TX (4.33 miles away)
281-820-3311

- 86) Oakwood Gardens**
5625 Antoine Dr, Houston, TX (4.35 miles away)
713-688-2217

- 87) Oaks On Antoine**
5555 Antoine Dr, Houston, TX (4.40 miles away)
713-812-1700

- 88) Garden City Apartments**
2611 Garden City Dr # A, Houston, TX (4.40 miles away)
281-447-3434

- 89) Salvation Army**
2611 Garden City Dr, Houston, TX (4.40 miles away)
281-447-2733

- 90) Steepleway Downs Apartments**
11910 Thoroughbred Dr, Houston, TX (4.40 miles away)
281-955-0018

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Apartments near ★ [7913-7999] Gatehouse Dr, Houston, TX 77040

- 91) Pine Arbor Apartments**
5310 Lost Forest Dr, Houston, TX (4.42 miles away)
713-681-0384
- 92) Oak Glen Apartments**
5500 Antoine Dr # 117, Houston, TX (4.42 miles away)
713-688-9246
- 93) Villa Del Sol**
4000 Hollister St, Houston, TX (4.46 miles away)
713-460-8780
- 94) Summercrest Apartments**
3950 Hollister St, Houston, TX (4.49 miles away)
713-462-4597
- 95) Garden City Apartments**
9601 W Montgomery Rd, Houston, TX (4.49 miles away)
281-260-8344
- 96) Pinemont**
6000 Pinemont Dr, Houston, TX (4.49 miles away)
713-957-4430
- 97) Summercrest Apartments**
8655 Pitner Rd, Houston, TX (4.51 miles away)
713-460-1760
- 98) Pineforest Place**
5353 Deep Forest Dr, Houston, TX (4.51 miles away)
713-688-7737
- 99) Willows North Apartments**
5353 Deep Forest Dr, Houston, TX (4.51 miles away)
713-688-9265
- 100) Pine Garden Apts**
8650 Pitner Rd, Houston, TX (4.51 miles away)
713-690-8500

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Apartments near ★ [7913-7999] Gatehouse Dr, Houston, TX 77040

- 101) Pineforest Park**
5959 Pinemont Dr, Houston, TX (4.51 miles away)
713-688-7737
- 102) Northwest Corners Apartments**
8520 Pitner Rd, Houston, TX (4.57 miles away)
713-690-0580
- 103) Vintage Apartments**
6500 W 43rd St, Houston, TX (4.62 miles away)
713-688-7228
- 104) Spring Brook Village Apts**
3400 Blalock Rd, Houston, TX (4.70 miles away)
713-939-1214
- 105) Las Ventanas Apartments**
13333 West Rd, Houston, TX (4.71 miles away)
281-970-1330
- 106) Oaks of Northwest Corner**
4222 Lockfield St, Houston, TX (4.76 miles away)
713-681-9427
- 107) Green Oak Village Ltd**
3400 Campbell Rd, Houston, TX (4.77 miles away)
713-462-8001
- 108) Lockfield Bend Apartments**
4200 Lockfield St, Houston, TX (4.79 miles away)
713-683-8814
- 109) Woodland Trail North Townhomes**
4200 Lockfield St, Houston, TX (4.79 miles away)
713-683-8814
- 110) Traces Loft Village Apartment**
5110 Azalea Trace Dr, Houston, TX (4.89 miles away)
281-537-0280

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Apartments near ★ [7913-7999] Gatehouse Dr, Houston, TX 77040

- 111) Miami Gardens Apartments**
9540 Kempwood Dr, Houston, TX (4.90 miles away)
713-462-2181
- 112) Oak Grove Apartments**
10810 Barely Ln, Houston, TX (4.94 miles away)
281-477-8890
- 113) Kempwood Place Apartments**
10010 Kempwood Dr, Houston, TX (4.96 miles away)
713-462-5056
- 114) Kempwood Hollow Apartments**
9999 Kempwood Dr, Houston, TX (4.97 miles away)
713-462-8255
- 115) Waterford Place Apartments**
3125 Crestdale Dr, Houston, TX (4.97 miles away)
713-462-3493
- 116) Gentry House**
9001 Kempwood Dr, Houston, TX (4.98 miles away)
713-464-8333
- 117) Spring Shadows Place**
10100 Kempwood Dr, Houston, TX (4.99 miles away)
713-462-6444
- 118) One Willow Park Apartments**
8330 Willow Place Dr S, Houston, TX (5.00 miles away)
281-890-1500
- 119) * Lodge At Springshadows**
10221 Centrepark Dr, Houston, TX
713-550-9299
- 120) * Matronational Carol Swan**
10221 Centrepark Dr, Houston, TX
713-550-9299

** Not all locations have enough information to get maps or directions.*

Switchboard USA

Travel Offers:

- [Vacation Packages](#)
- [Cheap Flights](#)
- [Rental Cars](#)
- [Hotel Rooms](#)
- [Europe Travel](#)



Apartments near ★ [7913-7999] Gatehouse Dr, Houston, TX 77040

121) Hastings Place Apartments

10730 Glenora Dr, Houston, TX (5.04 miles away)
281-890-3586

122) Creekwood Apartments

11911 Northwest Fwy, Houston, TX (5.10 miles away)
713-686-9083

123) Willow Green Club Apartments

8301 Willow Place Dr N, Houston, TX (5.14 miles away)
281-890-5600

124) Woodedge Apartments

10802 Greencreek Dr, Houston, TX (5.20 miles away)
281-894-7612

125) Wellington Place Maintenance

10803 Greencreek Dr, Houston, TX (5.21 miles away)
281-890-2234

126) Morningside Green Apartments

11810 Hammond Dr, Houston, TX (5.23 miles away)
281-894-0091

127) Mangum Oaks Apartment

4702 Mangum Rd, Houston, TX (5.26 miles away)
713-681-5252

128) Verandah At Centerfield

7700 Willow Chase Blvd, Houston, TX (5.30 miles away)
281-970-7576

129) Champions Centre Apartments

13222 Champions Centre Dr, Houston, TX (5.31 miles away)
281-397-8000

130) Limestone Ranch At Crossroads

12655 Crossroads Park Dr, Houston, TX (5.33 miles away)
281-970-4483

Switchboard (51)

Travel Offers:

- [Vacation Packages](#) • [Cheap Flights](#) • [Rental Cars](#) • [Hotel Rooms](#) • [Europe Travel](#)
- [Hotels](#) • [Motels](#) • [Vacations](#) • [Travel Insurance](#) • [Cheap Hotel](#)



Apartments near ★ [7913-7999] Gatehouse Dr, Houston, TX 77040

131) Amlt At Champions Park

13050 Champions Park Dr, Houston, TX (5.37 miles away)
281-537-9493

132) Champions Park

13050 Champions Park Dr, Houston, TX (5.37 miles away)
281-537-9400

133) Hampton At Willow Brook

7450 Willow Chase Blvd, Houston, TX (5.38 miles away)
281-774-0049

134) Blue Bell Village Leasing

9660 Veterans Memorial Dr, Houston, TX (5.39 miles away)
281-447-3461

135) Champions Woods Apartments

6830 Champions Plaza Dr, Houston, TX (5.39 miles away)
281-537-2607

136) Blue Bell Crossing

9630 Veterans Memorial Dr, Houston, TX (5.41 miles away)
281-448-2586

137) Breton Mill Apartments

13555 Breton Ridge St, Houston, TX (5.49 miles away)
281-890-2839

138) Champions Pointe

12335 Antoine Dr, Houston, TX (5.56 miles away)
281-580-5321

139) Springlake Lake Homes

2217 Hollister St, Houston, TX (5.56 miles away)
713-647-8485

140) Hidden Park Apartments

4225 Mangum Rd # 7, Houston, TX (5.60 miles away)
713-686-1662

Switchboard USA

Travel Offers:

- [Vacation Packages](#) • [Cheap Flights](#) • [Rental Cars](#) • [Hotel Rooms](#) • [Europe Travel](#)
- [Hotels](#) • [Motels](#) • [Vacations](#) • [Travel Insurance](#) • [Cheap Hotel](#)



Apartments near ★ [7913-7999] Gatehouse Dr, Houston, TX 77040

141) Wynnewood Apartment Homes

10225 Wortham Blvd, Houston, TX (5.60 miles away)
281-970-8585

142) Hunter's Chase Apartments

10000 Hammerly Blvd, Houston, TX (5.62 miles away)
713-467-9044

143) Hammerly Villa Apartments

10011 Hammerly Blvd, Houston, TX (5.62 miles away)
713-467-3800

144) Camden Station Apartment

12355 Antoine Dr, Houston, TX (5.62 miles away)
281-580-5580

145) Lakeview Apartments Svc Crdntr

8950 Hammerly Blvd # 200, Houston, TX (5.67 miles away)
713-365-0036

146) Lakeview Place Apartments

8950 Hammerly Blvd, Houston, TX (5.67 miles away)
713-984-9003

147) Prestonwood Apartments

13210 Prestonwood Forest Dr, Houston, TX (5.67 miles away)
281-469-0758

148) Spring Lake Apartments

8800 Hammerly Blvd, Houston, TX (5.69 miles away)
713-465-0776

149) One Camden Court Apartments

12411 Antoine Dr, Houston, TX (5.69 miles away)
281-580-7056

150) Hammerly Oaks Apartments

8791 Hammerly Blvd, Houston, TX (5.74 miles away)
713-465-7933

Switchboard USA

Travel Offers:

- [Vacation Packages](#) • [Cheap Flights](#) • [Rental Cars](#) • [Hotel Rooms](#) • [Europe Travel](#)
- [Hotels](#) • [Motels](#) • [Vacations](#) • [Travel Insurance](#) • [Cheap Hotel](#)

**Proximity
To Proposed
Rolling Creek Apartments**

The Market Study/Appraisal submitted by Cynosure states that there is only one HTC property in the Primary Market Area. Within that area there are actually three HTC properties and two Tax Exempt (X9) low-moderate income properties.

1. The Park at Woodwind Lakes (HTC Property) 14333 Philippine at the intersection of Windfern and less than one linear mile on a straight line on the PMA AMENITIES 1 & 2 MILES map on the study by O'Conner & Associates making the proposed Rolling Creek Apartments ineligible for bond consideration.
(Sec.49.5)(a)(8)(A)(B)(C) of the 2005 Housing Tax Credit Program Qualified Allocation Plan and Rules with Emergency Amendments as modified and approved by Governor Rick Perry) Attached as **Exhibit "A"** is a true and correct copy of the PMA AMENITIES 1 & 2 MILES map obtained from the APPRAISAL CONSULTING ASSIGNMENT C05-144 dated July 11, 2005 and on file with the TDHCA.
2. Windfern Pointe (Low-Moderate income (X9) Tax Exempt Property) accept Section 8 vouchers. 2.73 miles from proposed Rolling Creek Apartments. Attached as **Exhibit "B"** is a true and correct copy of the MAPQUEST Search from the proposed Rolling Creek Apartments to Windfern Pointe, 9515 W. Gulf Bank Rd., Houston, TX 77040.
3. Quail Creek Apartments 7835 Grow Lane (Low-Moderate income (X9) Tax Exempt Property) accepts Section 8 Vouchers and is within the PMA as defined by **Exhibit "C"** which is attached as a true and correct copy of the PRIMARY MARKET AREA MAP obtained from the APPRAISAL CONSULTING ASSIGNMENT C05-1442 dated July 11, 2005 and on file with the TDHCA.
4. Sugar Creek Apartments 11501 West Rd (HTC Property) is within the PMA as defined by **Exhibit "C"** which is attached as a true and correct copy of the PRIMARY MARKET AREA MAP obtained from the APPRAISAL CONSULTING ASSIGNMENT C05-1442 dated July 11, 2005 and on file with the TDHCA.
5. Sprucewood Apartments 12220 Steepleway Blvd (HTC Property) is within the PMA as defined by **Exhibit "C"** which is attached as a true

and correct copy of the PRIMARY MARKET AREA MAP obtained from the APPRAISAL CONSULTING ASSIGNMENT C05-1442 dated July 11, 2005 and on file with the TDHCA.

This application should be denied under Sec. 35.6(i)(6) of the Multifamily Finance Division 2005 Multifamily Housing Revenue Bond Program to avoid over concentration that would adversely affect existing Apartment Developments.

EXHIBIT "A"

**PMA AMENITIES 1 & 2 MILES map
APPRAISAL CONSULTING ASSIGNMENT
C05-144
Dated July 11, 2005**

PMA AMENITIES 1 & 2 MILES



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Mag 14.00

Mon Jul 11 09:26 2005

Scale 1:31,250 (at center)

2000 Feet

1000 Meters












-  Local Road
-  Major Connector
-  State Route
-  Trail
-  Interstate/Limited Access
-  Toll Highway
-  Exit
-  Railroad
-  Population Center
-  Water
-  River/Canal

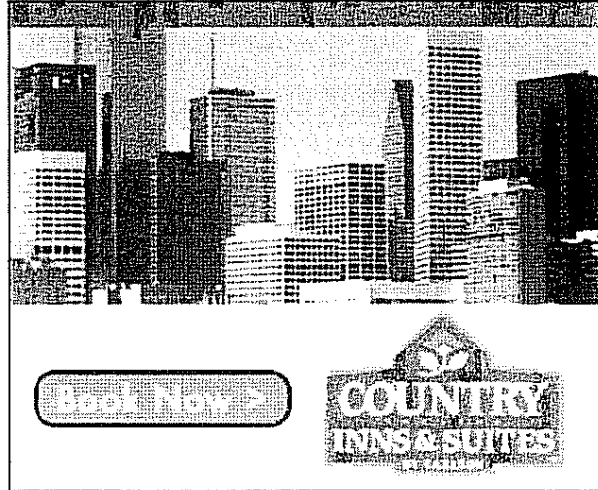
EXHIBIT "B"
MAPQUEST Search
Windfern Pointe, 9515 W. Gulf Bank Rd

MAPQUEST

Start: [7913-7999] Gatehouse Dr
Houston, TX 77040, US

End: 9515 W Gulf Bank Rd
Houston, TX 77040-3153, US








Notes:



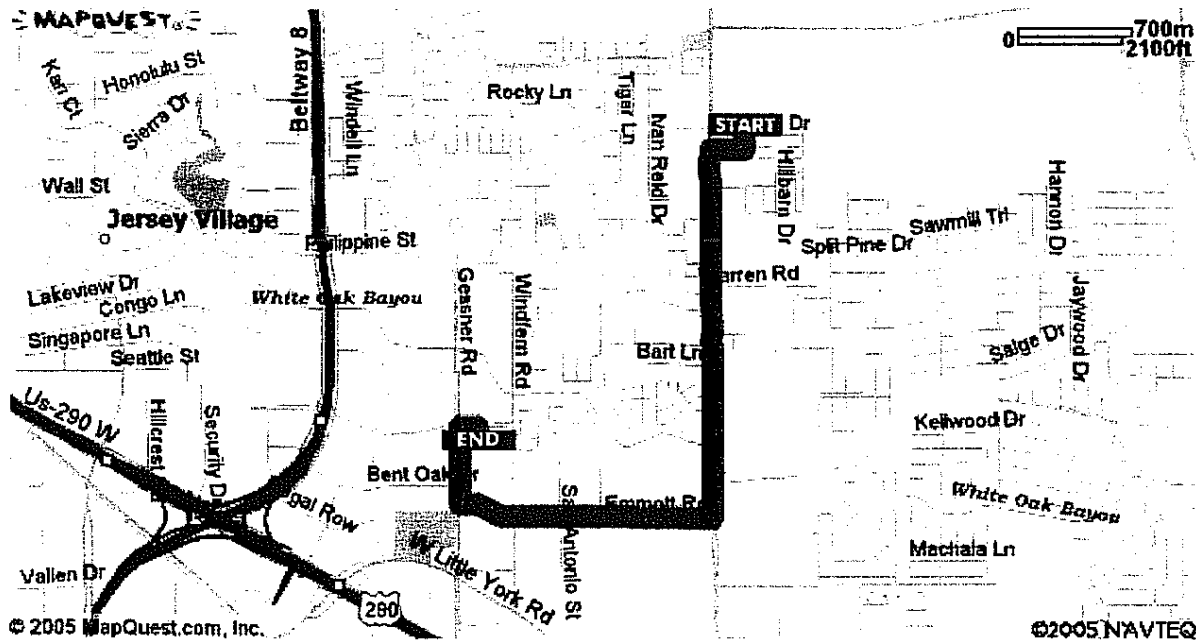
Directions

Distance

Total Est. Time: 7 minutes Total Est. Distance: 2.73 miles

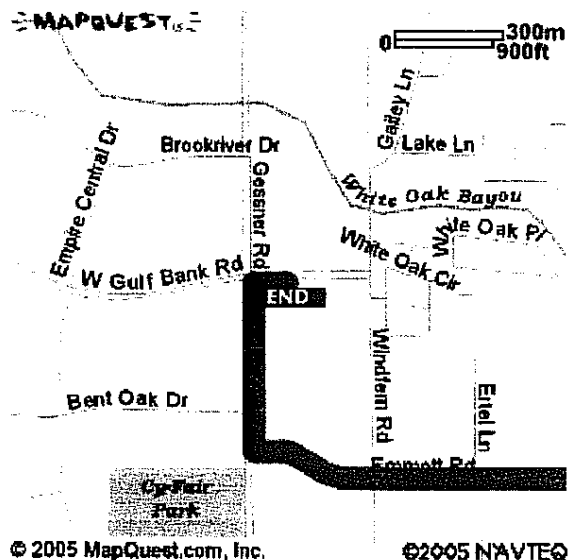
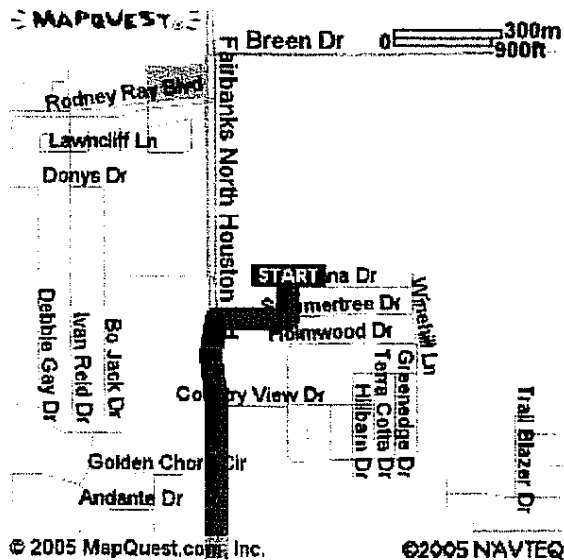
-  **1:** Start out going SOUTH on GATEHOUSE DR toward CIENNA DR. <0.1 miles
-  **2:** Turn RIGHT onto SUMMERTREE DR. 0.1 miles
-  **3:** Turn LEFT onto FAIRBANKS NORTH HOUSTON RD. 1.2 miles
-  **4:** Turn RIGHT onto EMMOTT RD. 0.9 miles
-  **5:** Turn RIGHT onto GESSNER RD. 0.2 miles
-  **6:** Turn RIGHT onto W GULF BANK RD. <0.1 miles
-  **7:** End at 9515 W Gulf Bank Rd
Houston, TX 77040-3153, US

Total Est. Time: 7 minutes Total Est. Distance: 2.73 miles



Start:
 [7913-7999] Gatehouse Dr
 Houston, TX 77040, US

End:
 9515 W Gulf Bank Rd
 Houston, TX 77040-3153, US



These directions are informational only. No representation is made or warranty given as to their content, road conditions or route usability or expeditiousness. User assumes all risk of use. MapQuest and its suppliers assume no responsibility for any loss or delay resulting from such use.

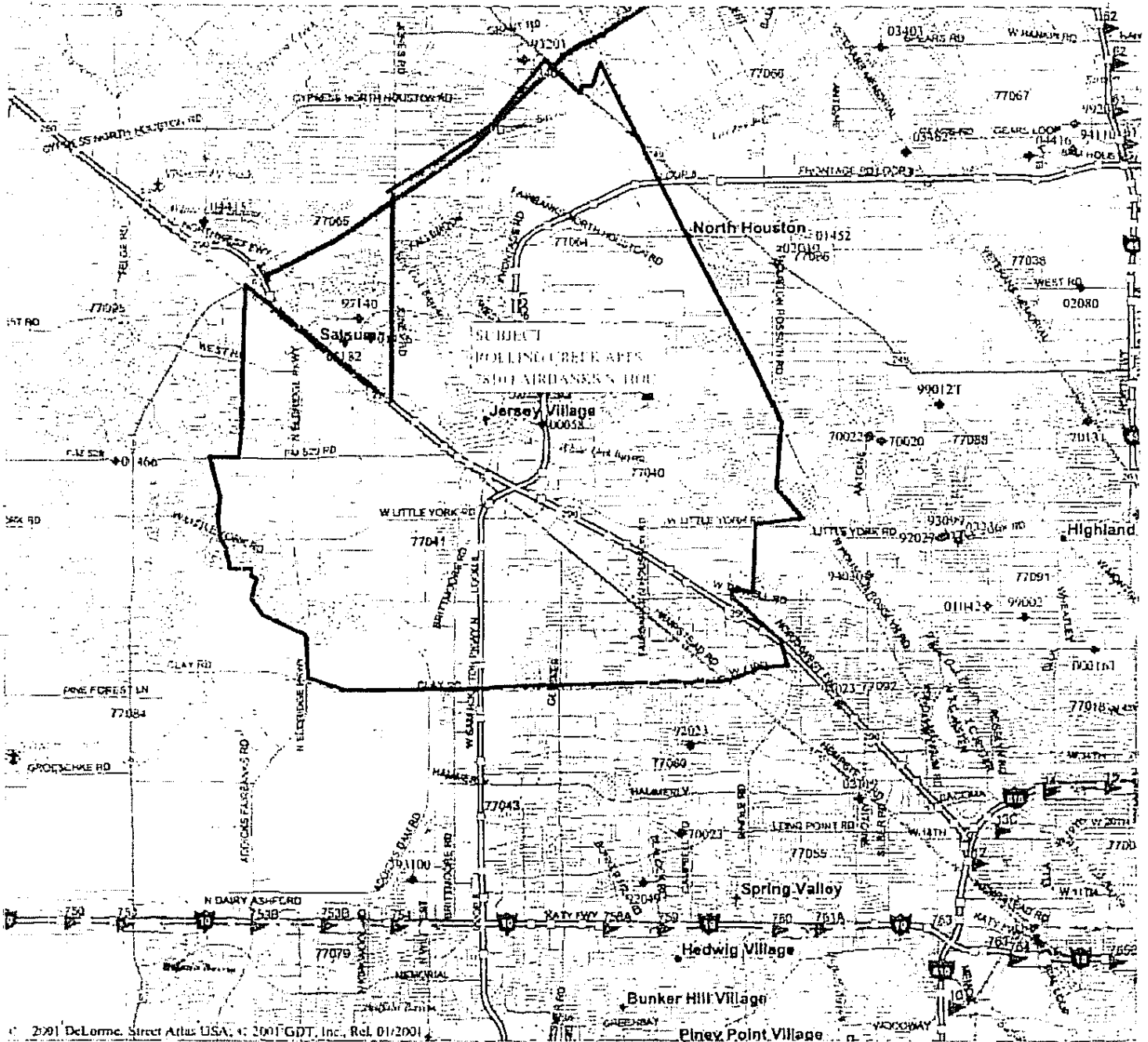
EXHIBIT "C"

**PRIMARY MARKET AREA MAP
APPRAISAL CONSULTING ASSIGNMENT**

C05-144

Dated July 11, 2005

PRIMARY MARKET AREA MAP



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















Mag 12.00

Fri Jul 08 14:52 2005

Scale 1:125,000 (at center)

2 Miles

2 km

- | | |
|---|---|
|  Local Road |  Railroad |
|  Major Connector |  Small Town |
|  State Route |  Exit/Gas |
|  Trail |  Exit/Lodging |
|  Interstate/Limited Access |  Exit/Food |
|  Interstate/Unlimited Access |  Exit/Other Services |
|  Toll Highway |  Public Airport |
|  Exit |  Population Center |

Public Facilities and Services

The Primary Market area as described in the Cynosure Market Study is primarily residential with some light industrial usage. There are few public services or facilities with the exception of the typical self-service gasoline station and convenience store combinations. All other facilities are accessible only by automobile as no Public Transportation exists or is included in short term planning for the area. There are no sidewalks, no hiking or biking trails.

- Nearest Mall – Willowbrook Mall - 6.78 miles. Attached as **Exhibit "A"** is a true and correct copy of MAPQUEST directions to Willowbrook Mall.
- Nearest Hospital – Cypress Fairbanks Medical Center Hospital – 6.58 miles. Attached as **Exhibit "B"** is a true and correct copy of MAPQUEST directions to Cypress Fairbanks Medical Center Hospital.
- Nearest Pharmacy – CVS – 2.27 miles. Attached as **Exhibit "C"** is a true and correct copy of MAPQUEST directions to CVS.
- Nearest Post Office – Fairbanks – 3.88 miles. Attached as **Exhibit "D"** is a true and correct copy of MAPQUEST directions to Post Office.
- Nearest Grocery Supermarket – Kroger 3.33 miles. Attached as **Exhibit "E"** is a true and correct copy of MAPQUEST directions to Kroger.
- Nearest Library – Harris County – 2.49 miles. Attached as **Exhibit "F"** is a true and correct copy of MAPQUEST directions to the library.
- Nearest Public Transportation – Tidwell - 3.1 miles. Attached as **Exhibit "G"** is a true and correct copy of MAPQUEST directions to the bus.

There is one public park in the area that is 3.19 miles from Rolling Creek. No other recreational facilities exist with the exception of Golf Courses and a Horse Racetrack that encourages gambling. Neither have been noted a family activities.

Clearly there are few amenities offered in the defined neighborhood.

EXHIBIT "A"

**MAPQUEST Directions to
Willowbrook Mall**



START [7913-7999] Gatehouse
Dr
Houston, TX 77040, US

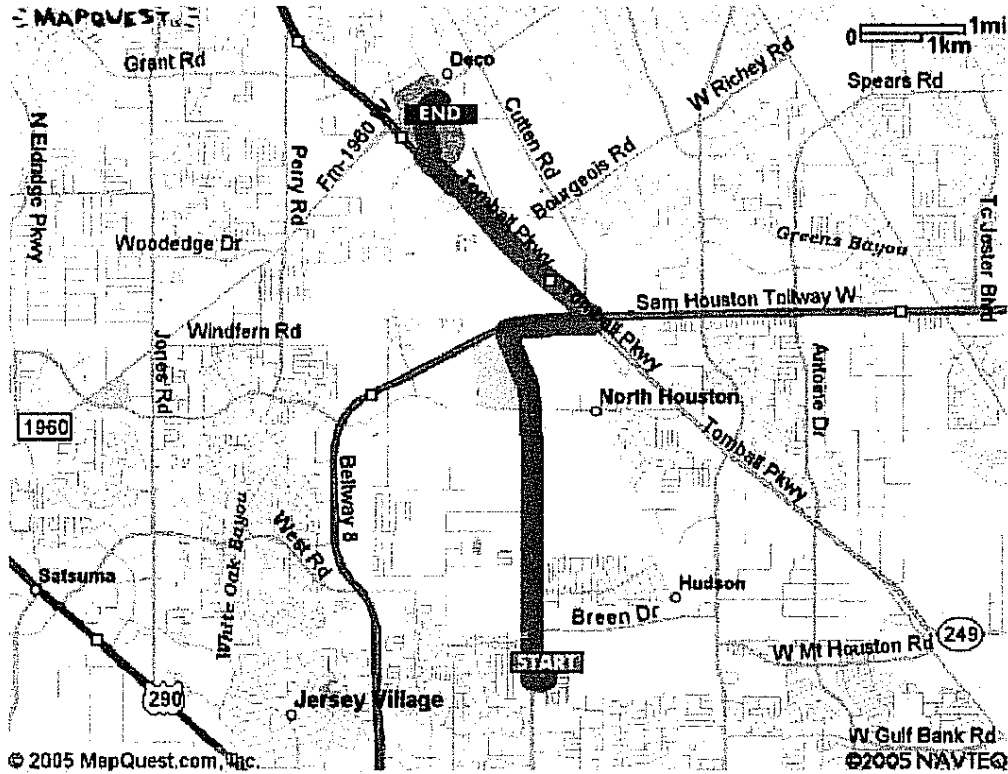
END 1234 Willowbrook Mall
Houston, TX 77070-5715,
US

Total Est. Time:
13 minutes

Total Est. Distance:
6.78 miles

Maneuvers	Distance
1: Start out going SOUTH on GATEHOUSE DR toward CIENNA DR.	<0.1 miles
2: Turn RIGHT onto SUMMERTREE DR.	0.1 miles
3: Turn RIGHT onto FAIRBANKS NORTH HOUSTON RD.	3.0 miles
4: Turn SLIGHT RIGHT onto BELTWAY 8 / N SAM HOUSTON PKWY W / N BELT DR W.	0.8 miles
5: Turn SLIGHT LEFT onto TOMBALL PKWY / TX-249 N / FM-149 N / W MONTGOMERY RD.	0.3 miles
6: Merge onto TOMBALL PKWY / TX-249 N / W MONTGOMERY RD via the ramp on the LEFT.	1.0 miles
7: Take the exit toward GREENS RD / GESSNER RD.	0.2 miles
8: Stay STRAIGHT to go onto TOMBALL PKWY / TX-249 N / FM-149 N / W MONTGOMERY RD.	0.4 miles
9: Turn RIGHT onto WILLOWBROOK DR.	<0.1 miles
10: Turn LEFT onto WILLOWBROOK MALL.	0.4 miles
11: End at 1234 Willowbrook Mall Houston, TX 77070-5715, US	

Total Est. Time: 13 minutes **Total Est. Distance:** 6.78 miles



These directions are informational only. No representation is made or warranty given as to their content, road conditions or route usability or expeditiousness. User assumes all risk of use. MapQuest and its suppliers assume no responsibility for any loss or delay resulting from such use.

Web Offers:

- [Schools](#)
- [Real Estate](#)
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- [New Cars](#)
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- [Jobs](#)
- [Travel](#)
- [Airline Tickets](#)
- [Digital Camera](#)

EXHIBIT "B"

**MAPQUEST Directions to
Cypress Fairbanks Medical Center Hospital**



Start: [7913-7999] Gatehouse Dr
Houston, TX 77040, US

End: 10655 Steepletop Dr
Houston, TX 77065-4222, US







Notes:



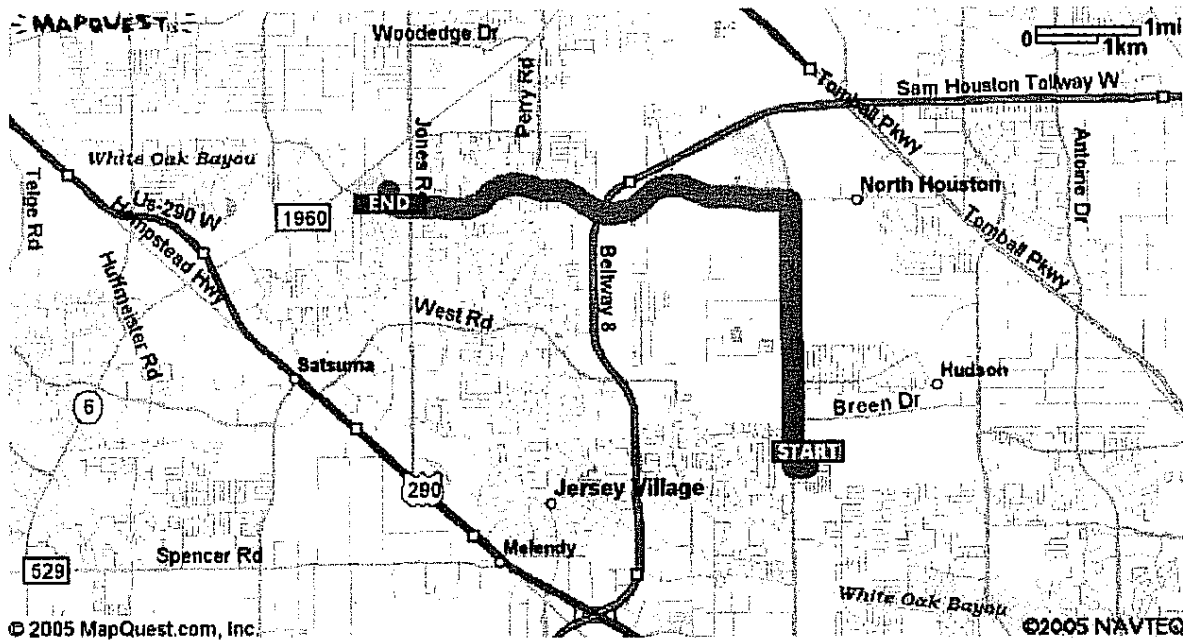
Directions

Distance

Total Est. Time: 12 minutes **Total Est. Distance:** 6.58 miles

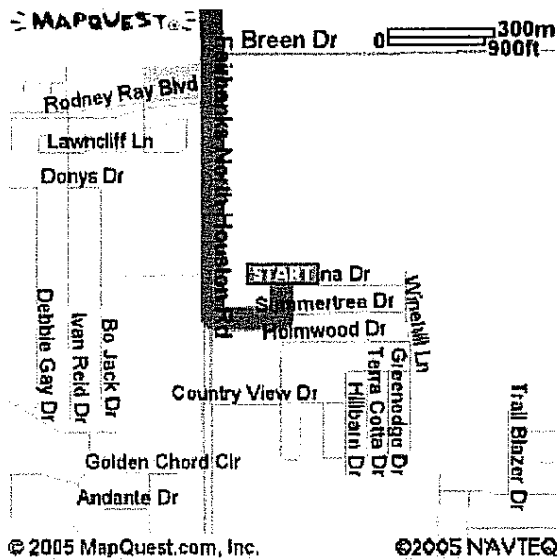
-  **1:** Start out going SOUTH on GATEHOUSE DR toward CIENNA DR. <0.1 miles
-  **2:** Turn RIGHT onto SUMMERTREE DR. 0.1 miles
-  **3:** Turn RIGHT onto FAIRBANKS NORTH HOUSTON RD. 2.3 miles
-  **4:** Turn LEFT onto FALLBROOK DR. 4.0 miles
-  **5:** Turn RIGHT onto STEEPLETOP DR. <0.1 miles
-  **6:** End at **10655 Steepletop Dr**
Houston, TX 77065-4222, US

Total Est. Time: 12 minutes **Total Est. Distance:** 6.58 miles



Start:
 [7913-7999] Gatehouse Dr
 Houston, TX 77040, US

End:
 10655 Steepletop Dr
 Houston, TX 77065-4222, US



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EXHIBIT "C"

**MAPQUEST Directions to
CVS Pharmacy**



START [7913-7999] Gatehouse Dr
Houston, TX 77040, US









END 7710 Gessner Rd
Houston, TX 77040-5181, US

Total Est. Time:
6 minutes

Total Est. Distance:
2.27 miles

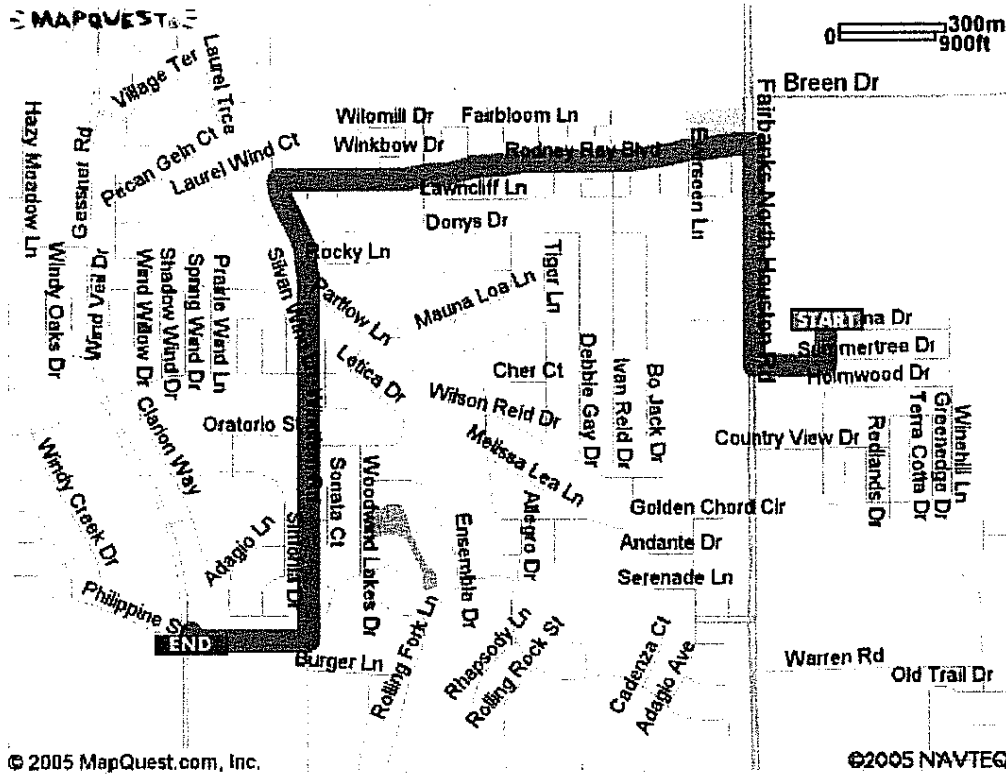
Maneuvers

Distance

-  **1:** Start out going SOUTH on GATEHOUSE DR toward CIENNA DR. <0.1 miles
-  **2:** Turn RIGHT onto SUMMERTREE DR. 0.1 miles
-  **3:** Turn RIGHT onto FAIRBANKS NORTH HOUSTON RD. 0.3 miles
-  **4:** Turn LEFT onto RODNEY RAY BLVD. 0.8 miles
-  **5:** Turn LEFT onto WINDFERN RD. 0.7 miles
-  **6:** Turn RIGHT onto PHILIPPINE ST. 0.1 miles
-  **7:** Turn RIGHT onto GESSNER RD. <0.1 miles
-  **8:** End at 7710 Gessner Rd
Houston, TX 77040-5181, US

Total Est. Time: 6 minutes

Total Est. Distance: 2.27 miles



These directions are informational only. No representation is made or warranty given as to their content, road conditions or route usability or expeditiousness. User assumes all risk of use. MapQuest and its suppliers assume no responsibility for any loss or delay resulting from such use.

Web Offers:

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- [Real Estate](#)
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EXHIBIT "D"

**MAPQUEST Directions to
Fairbanks Post Office**



START [7913-7999] Gatehouse Dr
Houston, TX 77040, US









END Houston, TX 77040-3240, US

Total Est. Time:
8 minutes

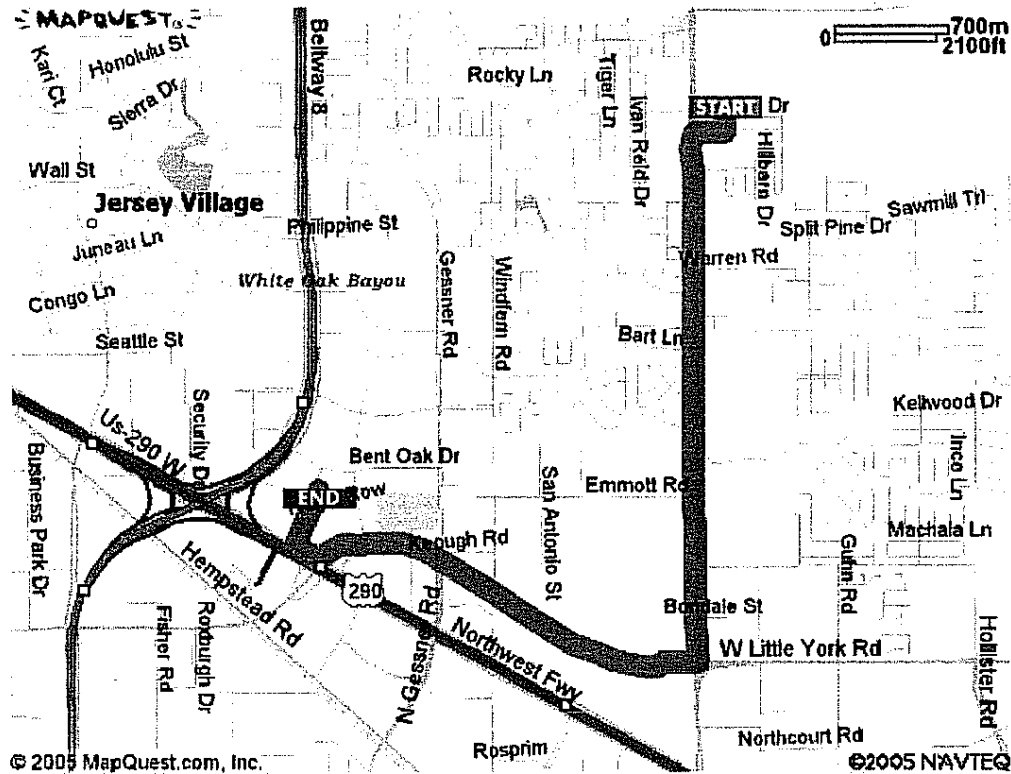
Total Est. Distance:
3.88 miles

Maneuvers

Distance

-  **1:** Start out going SOUTH on GATEHOUSE DR toward CIENNA DR. <0.1 miles
-  **2:** Turn RIGHT onto SUMMERTREE DR. 0.1 miles
-  **3:** Turn LEFT onto FAIRBANKS NORTH HOUSTON RD. 1.8 miles
-  **4:** Turn RIGHT onto W LITTLE YORK RD. 1.3 miles
-  **5:** Take the US-290 W ramp. 0.1 miles
-  **6:** Turn SLIGHT RIGHT onto NORTHWEST FWY / US-290 W. <0.1 miles
-  **7:** Turn RIGHT onto BROOKHOLLOW WEST DR. 0.2 miles
-  **8:** End at Houston, TX 77040-3240, US

Total Est. Time: 8 minutes **Total Est. Distance:** 3.88 miles



These directions are informational only. No representation is made or warranty given as to their content, road conditions or route usability or expeditiousness. User assumes all risk of use. MapQuest and its suppliers assume no responsibility for any loss or delay resulting from such use.

Web Offers:

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- [New Cars](#)
- [Homes for Sale](#)
- [Jobs](#)
- [Travel](#)
- [Airline Tickets](#)
- [Digital Camera](#)

EXHIBIT "E"

**MAPQUEST Directions to
Kroger Supermarket**



START [7913-7999] Gatehouse Dr
Houston, TX 77040, US








END Houston, TX 77040-5013, US

Total Est. Time:
8 minutes

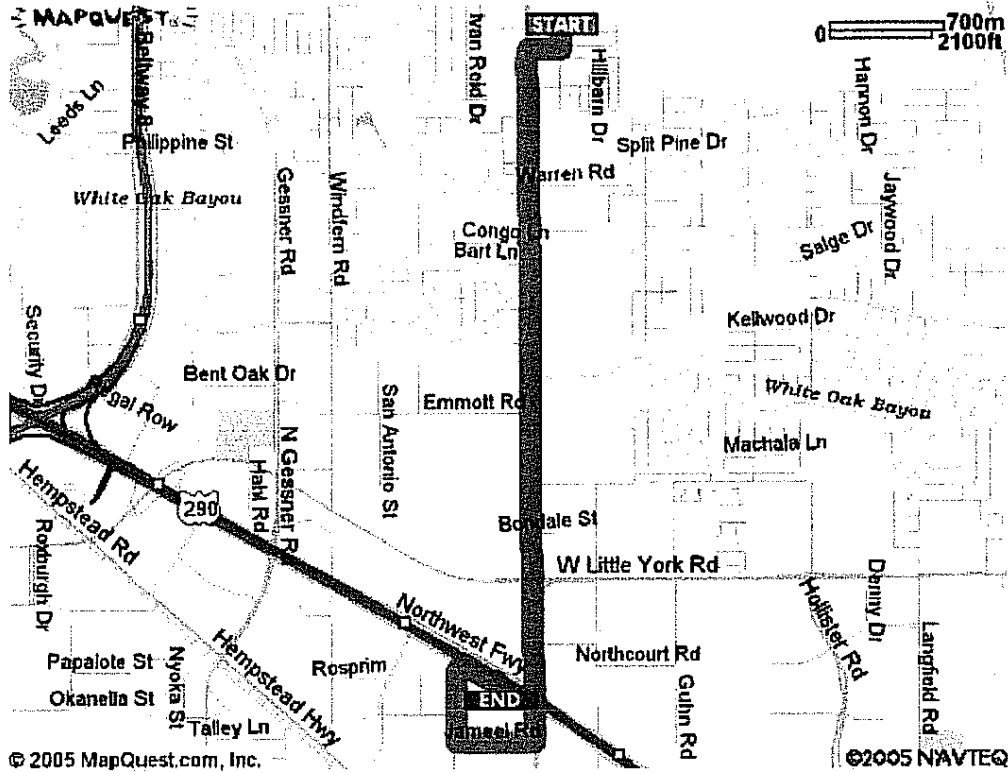
Total Est. Distance:
3.33 miles

Maneuvers

Distance

-  **1:** Start out going SOUTH on GATEHOUSE DR toward CIENNA DR. <0.1 miles
-  **2:** Turn RIGHT onto SUMMERTREE DR. 0.1 miles
-  **3:** Turn LEFT onto FAIRBANKS NORTH HOUSTON RD. 2.3 miles
-  **4:** Turn RIGHT onto JAMEEL RD. 0.3 miles
-  **5:** Turn RIGHT onto ROTHWAY ST. 0.2 miles
-  **6:** Turn RIGHT onto NORTHWEST FWY. 0.1 miles
-  **7:** End at Houston, TX 77040-5013, US

Total Est. Time: 8 minutes **Total Est. Distance:** 3.33 miles



These directions are informational only. No representation is made or warranty given as to their content, road conditions or route usability or expeditiousness. User assumes all risk of use. MapQuest and its suppliers assume no responsibility for any loss or delay resulting from such use.

Web Offers:

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- [Real Estate](#)
- [Hotels](#)
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- [Insurance](#)
- [Apartments](#)
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- [Rental Cars](#)
- [Bed and Breakfast](#)
- [New Cars](#)
- [Homes for Sale](#)
- [Jobs](#)
- [Travel](#)
- [Airline Tickets](#)
- [Digital Camera](#)

EXHIBIT "F"

**MAPQUEST Directions to
Harris County Library**



START [7913-7999] Gatehouse
Dr
Houston, TX 77040, US







END 7122 Gessner Dr
Houston, TX 77040-3104,
US

Total Est. Time:
6 minutes

Total Est. Distance:
2.49 miles

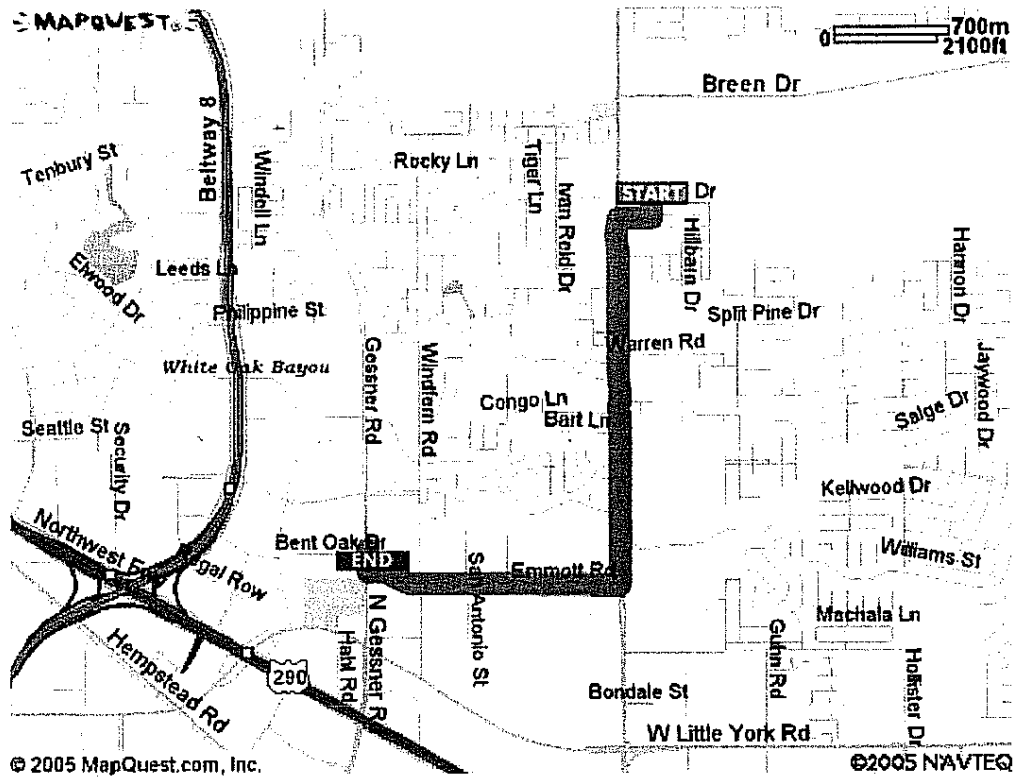
Maneuvers

Distance

-  **1:** Start out going SOUTH on GATEHOUSE DR toward CIENNA DR. <0.1 miles
-  **2:** Turn RIGHT onto SUMMERTREE DR. 0.1 miles
-  **3:** Turn LEFT onto FAIRBANKS NORTH HOUSTON RD. 1.2 miles
-  **4:** Turn RIGHT onto EMMOTT RD. 0.9 miles
-  **5:** Turn RIGHT onto GESSNER RD. <0.1 miles
-  **6:** End at 7122 Gessner Dr
Houston, TX 77040-3104, US

Total Est. Time: 6 minutes

Total Est. Distance: 2.49 miles



These directions are informational only. No representation is made or warranty given as to their content, road conditions or route usability or expeditiousness. User assumes all risk of use. MapQuest and its suppliers assume no responsibility for any loss or delay resulting from such use.

Web Offers:

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- [Hotels](#)
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- [Insurance](#)
- [Apartments](#)
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EXHIBIT "G"

**MAPQUEST Directions to
Public Transportation**



START [7913-7999] Gatehouse
Dr
Houston, TX 77040, US






END 8700 W Tidwell Rd
Houston, TX 77040-5455,
US

Total Est. Time:
8 minutes

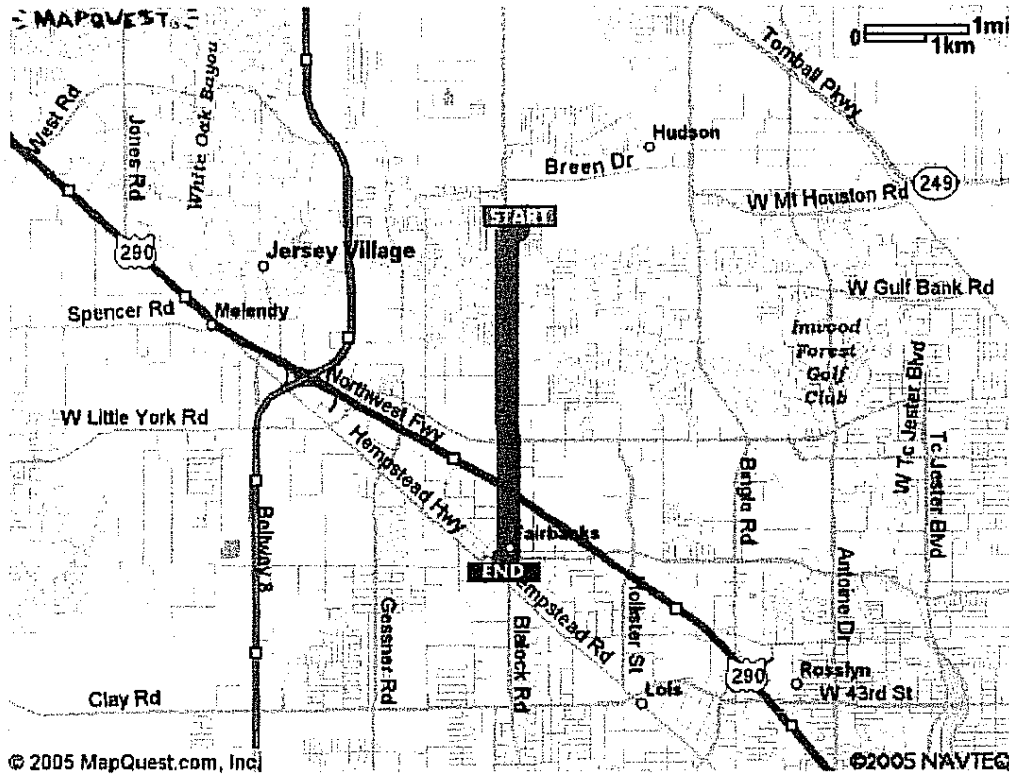
Total Est. Distance:
3.10 miles

Maneuvers

Distance

-  **1:** Start out going SOUTH on GATEHOUSE DR toward CIENNA DR. <0.1 miles
-  **2:** Turn RIGHT onto SUMMERTREE DR. 0.1 miles
-  **3:** Turn LEFT onto FAIRBANKS NORTH HOUSTON RD. 2.8 miles
-  **4:** Turn RIGHT onto W TIDWELL RD. <0.1 miles
-  **5:** End at 8700 W Tidwell Rd
Houston, TX 77040-5455, US

Total Est. Time: 8 minutes **Total Est. Distance:** 3.10 miles



These directions are informational only. No representation is made or warranty given as to their content, road conditions or route usability or expeditiousness. User assumes all risk of use. MapQuest and its suppliers assume no responsibility for any loss or delay resulting from such use.

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Summary of the Effect on Local Schools of the Proposed Rolling Creek Apartments

Data concerning the local schools was collected from the local school board. This data is analyzed and compared with data collected by researchers in the field of education reform. The effect of adding students from the proposed Rolling Creek Apartments is analyzed. Conclusions from analyzing the overall situation are presented.

1. Local schools are overcrowded:
Exhibit "A"

2. The academic performance of the various schools in the vicinity of the proposed Rolling Creek apartments was obtained from the Cypress-Fairbanks Independent School District. This data indicates the percentage of students meeting the TAKS requirements in each grade at each school.

Exhibit "B" The weighted (by number of students in each grade) of the percentages was calculated for each school and is tabulated in Table 1.

Exhibit "C" This data is also presented in graphical form in Graph 1.

3. It is highly likely that the performance of the staff at local schools is affected negatively by the high percentage of students from low-income households.

Exhibit "D" - Research done at the Charles A. Dana Center at the University of Texas at Austin supports this conclusion.

4. The academic performance of all students in schools declines as the percentage of students from low-income households increases as shown by education researchers. **Exhibit "E"**

5. The academic performance of students from low-income households is higher when they attend schools with lower percentages of students from low-income households. **Exhibit "F"**

6. The performance of staff and faculty is lower at schools with high percentages of students from low-income households. **Exhibit "D"**

7. The academic performance of all students in the local schools will decline further due to an increase in the percentage of students from low-income households. **Exhibit "G"**

8. The secondary effects of low academic performance, such as drop-outs, will increase. **Exhibit "H"**

9. There will be a reinforcement of the poverty cycle for the low-income families living in the surrounding neighborhoods as well as those that may live in the proposed Rolling Creek Apartments **Exhibit "I"**

10. It is part of the TDHCA's mandate to help reduce poverty within the community. Exhibit "J"

The conclusion from analyzing the preceding information is that the construction of the proposed Rolling Creek Apartments will have a significant negative effect on the performance of the schools nearest the proposed site. These negative effects will produce other secondary negative effects on the surrounding community. Therefore, it is imperative that the TDHCA follow its mandate by not providing the tax credits and bonds needed to fund the construction of the proposed Rolling Creek Apartments.

EXHIBIT "A"

OVERCROWDING OF LOCAL SCHOOLS

Exhibit "A"

Overcrowding in Local Schools

Many of the local schools are experiencing severe overcrowding. This is clearly demonstrated by the number of portable classrooms in use. While the portable classrooms expand the classroom space available at each school, they do nothing to increase the capacity of other facilities such as gymnasiums, libraries, cafeterias, auditoriums and parking lots. Typically, these portable classrooms reduce the total area available for playgrounds and parking for the school staff. At Reed Elementary, located across the street from the site of the proposed Rolling Creek Apartments, the library has been turned into two classrooms making it virtually unusable as a library.

EXHIBIT "B"

**TABLE 1
CURRENT AND PROJECTED
LOCAL SCHOOL POPULATION AND
PERCENTAGE FROM LOW-INCOME HOUSING**

Exhibit "B"

Table 1

Current and projected local school population and percentage from low-income households

School	Current		Current % Meeting TAK Standards		Projected	
	Total Pop.	% Low-income	School	District	Total Pop.	% Low-income
Reed Elem.	948	47 %	72 %	80 %	1110	55 %
Frazier Elem.	895	67 %	56 %	80 %	1057	72 %
Holbrook Elem.	896	67 %	64 %	80 %		
Bane Elem.	1051	72 %	67 %	80 %		
Post Elem.	892	50 %	71 %	80 %		
Gleason Elem.	1110	33 %	87 %	80 %		
Willbern Elem.	1144	38 %	77 %	80 %		
Kirk Elem.	1155	49 %	83 %	80 %		
Dean Middle	1353	53 %	60 %	76 %	1434	56 %
Cook Middle	1452	26 %	77 %	76 %		
Campbell Mid.	1378	35 %	66 %	76 %		
Labay Middle	1422	26 %	79 %	76 %		
Truit Middle	1405	39 %	71 %	76 %		
Jersey Vil. H.S.	3002	21 %	68 %	75 %	3142	25 %
Cy-Ridge H.S.	3155	33 %	65 %	75 %		
Cy-Creek	2685	14 %	79 %	75 %		
Windfern H.S.	163	20 %	-	75 %		

Note : The schools nearest to the proposed Rolling Creek apartment complex are indicated with "**bold-type**" in Table 1 above.

It is quite evident from Table 1 that the concentration of students from low-income households is already so high in many of the area schools that the academic achievement of all students at these schools is affected negatively.

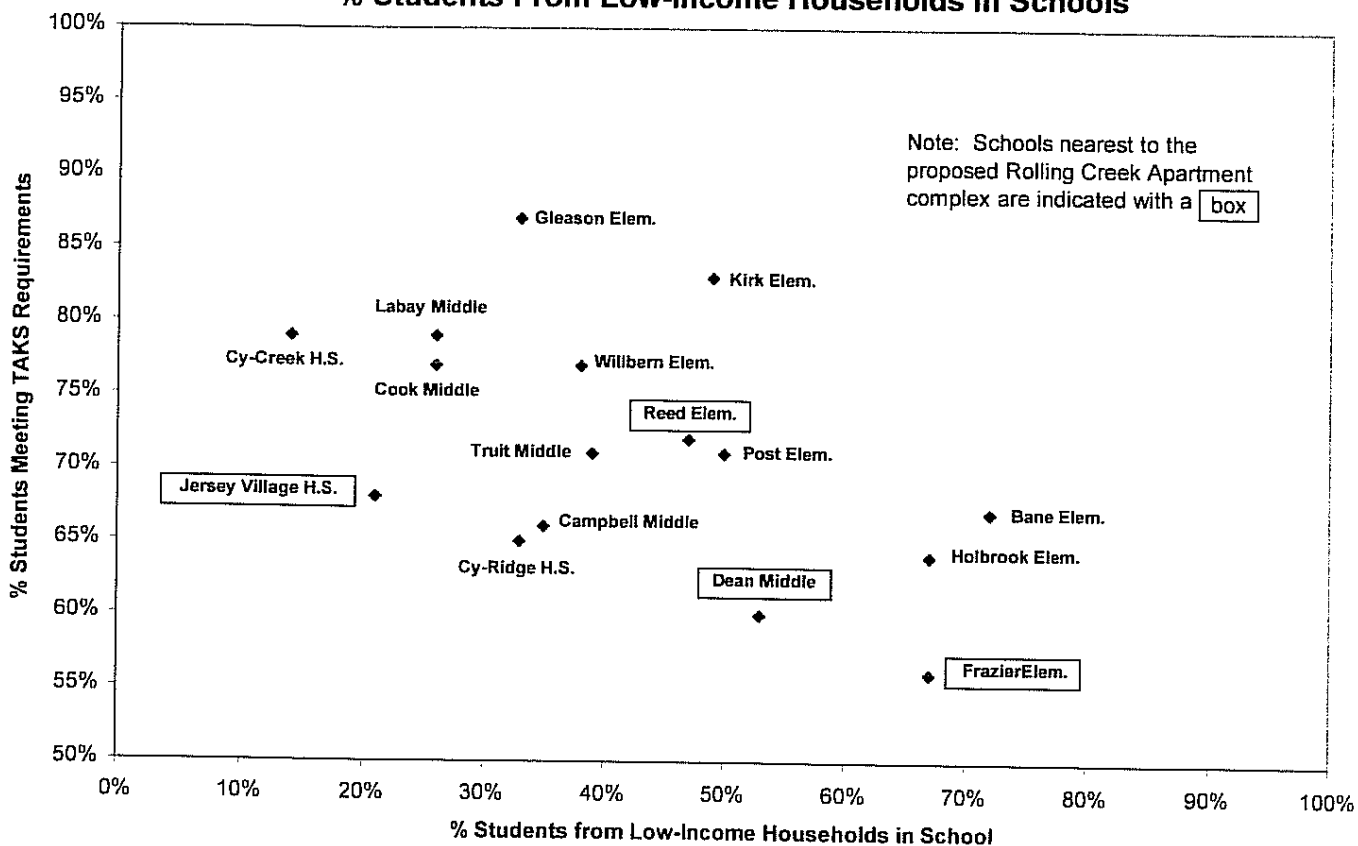
EXHIBIT "C"

**GRAPH 1
PERCENTAGE OF STUDENTS MEETING
TAKS REQUIREMENTS
VS
PERCENTAGE OF STUDENTS FROM LOW-INCOME
HOUSEHOLDS IN SCHOOLS**

Exhibit "C"

Graph 1

**% Students Meeting TAKS Requirements
vs.
% Students From Low-Income Households in Schools**



Graph 1 shows a strong correlation between a high percentage of students in a school from low-income households and a weak overall academic performance for that school.

EXHIBIT "D"

**EFFECT OF POVERTY
ON SCHOOL STAFF PERFORMANCE**

Exhibit "D"

Effect of Poverty on School Staff Performance

Some of the reasons given, in the research, for high concentrations of students from low-income households having a negative effect on **all** students within a particular school are:

- **A difficulty in attracting good teachers (1)**

Thus, Baltimore City winds up with considerably less money for ordinary instruction than its suburban neighbors have. Teacher salaries reflect that fact. At all levels, from beginning salaries on up, Baltimore City trails surrounding suburbs (Maryland State Department of Education, 1998a, page 20; see Table 10). In both recruiting teachers and retaining them, Baltimore City operates at a significant disadvantage. It is not surprising, therefore, that Baltimore City also has a higher proportion of its teachers who have a provisional certificate--17 percent compared to an average of 2 percent in the suburbs (Maryland State Department of Education Division of Certification and Accreditation, 1999).⁵ Recent discussions of school reform have focused on teacher quality as a crucial factor in school performance; Baltimore City, however, is in a weak position to compete for and retain the most qualified teachers.

- **Teacher absenteeism (2)**

The percentage of teachers who reported that teacher absenteeism was a problem in their school increased to higher-than-expected levels in high poverty schools.

- **Teachers not suited to the curriculum that they are teaching (2)**

Other NCES data show that teachers in poorer schools are less likely to have majored or minored in the subject they teach and schools serving larger percentages of low-income students have higher numbers of teachers who are teaching out of field. (Whitmire, 1997)

- **In class distractions (2)**

The percentage of 8th-grade teachers who reported spending more than one-fifth of their time on classroom discipline increased sharply from 12% in low poverty schools to more than 21% when the concentration of students in the school living in poverty reached over forty percent. (Lipmann, 1996)

- **A slower pace of teaching (2)**

The slow pace of instruction and lower skill level so often used in lower-ability classes hinder student motivation and achievement.

Research done by Edward Fuller of the Charles A. Dana Center at the University of Texas at Austin indicates that such negative effects occur in the local schools(12):

Fort Bend ISD students lucky enough to live in the upscale neighborhoods surrounding Clements or Elkins high schools have some of the most qualified teachers within the seven-county Houston area.

But their counterparts growing up in the poorer Fort Bend County communities that feed into Willowridge and George Bush high schools are left with teachers who are less experienced, uncertified in the subjects they're supposed to teach, and more likely to leave for other jobs.

The disparity in teacher quality in the Fort Bend Independent School District is typical at most of the middle and high schools throughout the seven-county Houston area, according to recent research compiled by University of Texas researcher Edward Fuller.

Fuller's findings quantify the commonly held notion that the state's best teachers work in the most affluent schools , leaving less-qualified educators to teach low-income students. And the schools with the least-qualified teachers typically struggle the most on the tests that are used to label schools as successes or failures.

"Principals hire the best they can get," said Fuller, whose research specializes in teacher hiring and retention. "The problem is sometimes the best they can get isn't very good."

Fuller's formula takes three factors into account at each school: the teacher employment turnover rate, percentage of teachers with less than three years' experience and those teaching courses outside their area of certification. Using the latest available data from the 2003-04 school year, Fuller assigned every campus a Teacher Quality Index based on how they compare with other schools . Those that fall in the top 10 percent statewide are given a rating of 1. Schools in the bottom 10 percent are rated a 10.

The school districts included in this analysis are those in the Region IV Texas Education Service Center's seven-county area: Harris, Fort Bend, Galveston, Brazoria, Chambers, Liberty and Waller.

EXHIBIT "E"

**EFFECT OF POVERTY
ON ACADEMIC PERFORMANCE**

Exhibit "E"

Effect of Poverty on Academic Performance

There have been numerous studies of the effects of poverty on academic performance. Numerous recent studies have shown that when the concentration of students from low-income households in a school rises above a certain percentage, the level of academic achievement for **all** students within that school is reduced.

M. Orr, C. Stone and C. Stumbo's report "Concentrated Poverty and Educational Achievement" (1) states:

We have long known that poverty has detrimental impacts on *individual* students in poverty, but it is only recently that it has been demonstrated that high levels of poverty schoolwide create *additional* educational challenges for the systems and the students they serve.

and

At least as far back as the Coleman report (1966), we have known that an individual's poverty level has an effect on academic achievement. As socioeconomic status goes down, so do test scores and other indicators of student performance. Less widely known is the finding that the level of poverty schoolwide also has an effect on an individual student's achievement--*whether or not that student is in poverty*. Research shows that test scores of *all* students, both poor *and* non-poor, decline as they are in schools with increasing numbers of fellow students in poverty. The U.S. Department of Education's *Prospects* report (Puma, Jones, Rock & Fernandez, 1993) finds that even though non-poor students perform consistently better than their low-income classmates, the performance of non-poor students nevertheless declines as the proportion of their classmates below the poverty line increases (see Figure 1). Overall, the report finds that "students in low-poverty schools score from 50 to 75 percent higher in reading and math than students in high-poverty schools" (Puma et al., 1993, page xxx). Further, the report finds a "tipping point" of sorts, where school poverty begins to seriously effect student performance. "School poverty depresses scores of *all* students in schools where at least half the children are eligible for subsidized lunch and seriously depresses the scores when more than 75 percent of students live in low income households" (Puma et al., 1993, emphasis added). For example, note how, in the sample depicted in Figure 1, *non-poor* students in schools with 50 percent or more of their students in poverty scored at approximately the same level as did *poor* students in schools with less than 20 percent of their students in poverty. While individual students in poverty pose an educational challenge to a school system, high levels of schoolwide poverty pose an even greater challenge.

Professor Stone specializes in American politics, urban affairs, local government and public policy at the University of Maryland and has published a number of books relating to the reforming of urban schools.

A survey of research papers by the Wake County Public School System's Evaluation and Research Department " (2) concluded that:

A large body of research shows that an individual student who is eligible for free or reduced price lunch is at risk for academic failure. The risk factors for individual students can be ameliorated by extra support and academic assistance to ensure academic success. A high concentration of low-income students in a school, however, appears to have negative effects on students, teachers, and the school, and these effects extend beyond the effect of the individual students' economic condition. For example, researchers have reported that :

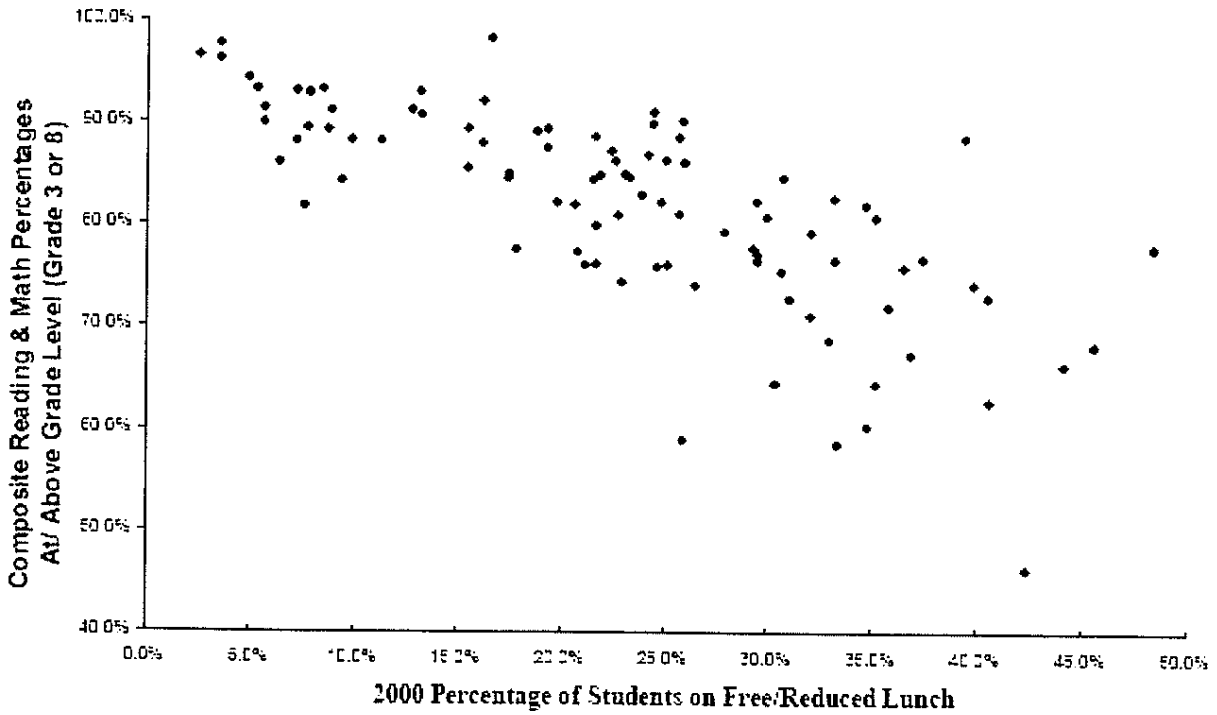
- "In schools with above average poverty rates, the poverty level of the school influences the scores of all children, including those from more advantaged families. Low-income students in high-poverty schools are doubly at risk..." (U.S. Department of Education, 1996). (Also see Kennedy, Jung, and Orland, 1996)
- Low-income students in low poverty schools score better than low income students in high poverty schools. (U.S. Department of Education, 1996)
- Students' achievement showed sharp declines when the school poverty concentration rose above 40%. (Lippman, Burns, and McArthur, 1996)
- A similar study looked at some of the negative effects of poverty and found that:
- Achievement of average students in high-poverty schools is lower than achievement of Title I students in low-poverty schools. (Puma, Jones, Rock, & Fernandez, 1993)
- In a review of literature on the impact of magnet schools, the authors concluded that:
- Low-income students achieve better educational results in classrooms where the majority of students are economically advantaged. (Yu and Taylor, eds., 1997)

Another Wake County Public School System report "The Effect of School Poverty Concentration in WCPSS" (3) states:

... a relationship between school poverty and school performance, although this relationship appears strongest at the "extremes" of the WCPSS range, particularly as the concentration rises above 35-40%. In other words, elementary schools at the highest level within WCPSS's range of poverty probably do experience an impact on student growth due to that high concentration.

This report also contains a graph (Figure 1) of academic performance with respect to the percentage of students from low-income households.

Figure 1
Percentage of WCPSS Students at or Above Grade Level By School Poverty Concentration



Though the metrics are not exactly the same, Figure 1 from the WCPSS report shows a strong correlation between a high percentage of students in a school from low-income households and a weak overall academic performance for that school.

EXHIBIT "F"

**IMPROVING ACADEMIC PERFORMANCE
OF STUDENTS
FROM LOW-INCOME HOUSEHOLDS**

Exhibit "F"

Improving Academic Performance of Students From Low-Income Households

One positive way to address the poor academic performance in the area schools is to reduce their overall population as suggested in the Montana Rural Education Association's study "Results of Four-State Study: Smaller Schools Reduce Harmful Impact of Poverty on Student Achievement" (4).

New research shows that smaller schools in four widely divergent states reduce the harmful effects of poverty on student achievement. Smaller schools help students from less affluent communities narrow the academic achievement gap (as measured by state sanctioned standardized tests) between them and students from wealthier communities.

and

"Excellence" Effects: Small Schools Are Better for Most Communities

In Georgia, Ohio, and Texas, there is strong evidence that students in the less affluent communities in each state perform better when they attend smaller schools. The lower the income in the community, the more student achievement is benefited by smaller schools. The lower the income of the community served by the schools, the more achievement sags in larger schools and surges in smaller schools. In Montana, a state that maintains many small schools and few large ones, this "excellence" effect of small schools was also evident, but not as strong.

and

Schools "At-Risk" of Lower Student Performance

These results indicate that many schools are too large to produce top performance given the level of income in the community they serve...

Texas: Between 26 and 57 percent of Texas schools (depending on grade level tested) would likely produce lower average student scores if the schools were larger, or higher scores if the schools were smaller. These schools serve between 27 and 46 percent of the Texas students tested in those grades.

furthermore

These relationships are consistently strong for the critical grades when children are at or approaching the age when they are most at-risk of dropping out of school.

and

In Texas, at the 10th grade level, *57 percent* of the schools are too big to maximize achievement, given the income level of the communities they serve, and would likely produce higher scores if they were smaller. These schools serve *almost half (46%) of 10th graders.*

When the Montana Rural Education Association examined the effect of poverty, the following observations were made (4):

Researchers calculated the percentage of the variance in test scores that can be explained by the level of the poverty in the communities served by schools. We call this statistic "*poverty's power rating*" because it suggests how much negative impact poverty has over student achievement. This statistic was calculated for larger and for smaller schools (those above and below the median size) in each state.

In all four states, smaller schools cut poverty's power rating by between 20 and 70 percent, and usually by 30-50 percent, depending on grade level. In Georgia, Ohio, and Texas, smaller schools reduce the negative effect of poverty on average student achievement in every grade tested. In Montana, smaller schools significantly cut poverty's power rating in two of the three grades tested

and

Texas: In all grades and in all subject areas tested (reading, mathematics, and writing), poverty's power rating is substantially lower in smaller schools than in larger schools.

- In *larger schools*, poverty's power rating ranged *from at least 30 percent to as high as 62 percent*, depending on grade and subject area.
- In *smaller schools*, poverty's power rating ranged *from as low as 3 to no higher than 31 percent*.
- In the *critical grades 8 and 10*, where children are at or approaching the age when they are most at-risk of dropping out, small schools cut poverty's power over achievement by *80 to 90 percent* in reading, writing, and mathematics.

The Montana Rural Education Association examined the effect of race and made the following observations were made (4):

Results Are Not Related to Race

These results were not significantly altered (but slightly strengthened in most cases) when researchers controlled for race. Small schools are a major positive factor in student achievement among the poor, race notwithstanding

And

But although the relationship between school size, poverty, and student achievement may not depend on race, it is often true that minority groups live in communities where poverty rates are quite high, and they are therefore very likely to attend schools that are too large to produce highest levels of achievement.

- In Texas, these relationships are particularly strong for Hispanic students. Hispanic enrollment in schools too large to expect top performance is between 2.5 and 3 times the rate of Hispanic enrollment in schools that are not too large.
- In Georgia, African-American enrollment in schools too large to expect optimum achievement in their community is between 2.4 and 3.8 times the rate of African-American enrollment in schools that are not too large.

It may be possible to transfer some of the students from the schools nearest the proposed complex to neighboring schools. This would reduce the concentration of students from low-income households somewhat. However, as can be seen in Table 1 of **Exhibit "B"**, many of these neighboring schools have even higher concentrations of students from low-income households. These neighboring schools have similarly poor academic performance.

EXHIBIT "G"

**THE EFFECT OF ROLLING CREEK APARTMENTS
ON THE ACADEMIC PERFORMANCE
OF LOCAL SCHOOLS**

Exhibit "G"

The Effect of Rolling Creek Apartments on the Academic Performance of Local Schools

It is most likely that all of the students from low-income households residing in the proposed Rolling Creek apartments would go to the same elementary, middle and high schools. The estimated number of new students per grade, 27, was calculated by dividing the total number of new students by the number of grades, 13. The estimated effect of adding these students to the nearby schools is also shown in Table 1 of **Exhibit "B"**.

The projected effect of the proposed Rolling Creek Apartments is that the percentage of students from low-income households will rise in all of the neighboring schools (Reed Elementary, Frazier Elementary and Dean Middle Schools). Unfortunately, the percentage of students from low-income households is already so high that the academic performance of **all** students in these schools is affected negatively. Therefore, the additional students due to the proposed Rolling Creek Apartments will make a bad situation worse.

It has been stated by the developer, Synosure Corporation, that the residents of the proposed Rolling Creek Apartment complex will not be low-income households. However, there is strong evidence suggesting that the residents will, in fact, be low-income households.

The majority of the housing in the area surrounding the site of the proposed Rolling Creek apartment complex consists of single-family homes. The majority of these single-family homes are owner occupied. It is highly unlikely that residents of a single-family home, whether they own or rent, would move into an apartment complex of any type. There are a number of mobile home parks in the area. Most of the residents of these trailer parks own their mobile homes and are also unlikely to move into an apartment complex of any type. There is one multi-family apartment complex nearby on Windfern Avenue. It was constructed a few years ago under the auspices of the TDHCA. This complex is still in good condition so there would be no reason for tenants of that complex to move to the proposed Rolling Creek Apartment complex. Thus, the conclusion must be that the prospective tenants for the proposed Rolling Creek Apartment complex would come from outside of the immediate area, leading to an increase in the overall student population.

The Danter Corporation (9) studies Low Income Housing Tax Credit Developments and estimates that there would be 1.43 students per unit in the proposed Rolling Creek Apartment complex. Thus, the tenants of the proposed Rolling Creek Apartments would add about 355 new students to the local school population. It is anticipated that virtually all of these new students would be from low-income households. The projected effect on the local schools of these new is shown in Table 1 of **Exhibit "B"**

The current (as of January 11, 2005) total population of the schools near the proposed Rolling Creek Apartments is shown in Table 1 of **Exhibit "B"**. Also shown is the current percentage of the students at these schools that come from low-income households.

The tenants of the proposed Rolling Creek Apartments will, in all probability, have low-incomes, leading to an increase of students from low-income households in the local schools. Indeed, it is the mandate of the TDHCA to serve those with low-incomes, as stated on page 1 of the "2005 State of Texas Low Income Housing Plan & Annual Report" issued by the Texas Department of Housing and Community Affairs (6).

The Department's charge is to serve the states extremely low-income to moderate-income population. Funding priority is given to those populations most in need of services: extremely low, very low, and low-income households and individuals.

Maximum income limits will be applied to the prospective tenants. These maximum limits are described in the "Housing Tax Credit Owner Compliance Manual" (7) and the "2005 Maximum Incomes based on 30%, 40%, 50%, 60% and 80% of Median (by MSA)" (8) issued by the Texas Department of Housing and Community Affairs.

It is also likely that some of the tenants of the proposed Rolling Creek apartments would be receiving Section 8 rent subsidies. This is specified in the "Housing Tax Credit Owner Compliance Manual" (7) in Section 2.3 D

The Housing Tax Credit program includes a specific requirement pertaining to households holding a Section 8 Voucher. When leasing units that will be counted as Tax Credit Units, owners/managers may not refuse to rent these units to applicants holding a HUD Section 8 Voucher simply because they receive rental assistance through these programs.

and in Section 6.4 A

The management plan must state the intention of the development owner to comply with state and federal fair housing and anti-discrimination laws. The plan must clearly state the following objectives:

- Applicants who hold Section 8 Vouchers are welcome to apply and will be provided the same consideration for occupancy as any other applicant.
- Any minimum income requirements for Section 8 voucher holders will only be applied to the portion of the rent that the prospective resident would pay.

NOTE: Minimum income requirements for Section 8 voucher holders may not exceed 2.5 times the portion of the rent the resident pays. If Section 8 pays 100 percent of the rent for the unit, the development owner may establish other reasonable minimum income requirements to ensure that the resident has the financial resources to meet daily living expenses. A reasonable minimum income is \$2,500 per year.

EXHIBIT "H"

**SECONDARY EFFECTS
OF THE ROLLING CREEK APARTMENTS
ON LOCAL SCHOOLS**

Exhibit "H"

Secondary Effects of the Rolling Creek Apartments on Local Schools

It is most likely that construction of the proposed Rolling Creek Apartment complex will lead to an increase of other negative secondary effects, such as an increased drop-out rate, on the local schools. A Wake County Public School System report "The Effect of School Poverty Concentration in WCPSS" (3) states:

Individual students from low-income families have a statistically higher risk of dropping out of school, low academic achievement, and retention in grade, among other negative outcomes.

EXHIBIT "I"

**EFFECT OF ROLLING CREEK APARTMENTS
ON THE LOCAL SCHOOL COMMUNITY**

Exhibit "I"

Effect of Rolling Creek Apartments on the Local School Community

Some of the other consequences of having high concentrations of low-income households were described in the research surveyed. Orfield's "Portland Metropolitcs: A Regional Agenda for Community and Stability" (5) describes how high concentrations of low-income households affect the local tax base. The erosion of the local tax base would be due to erosion of property values. Orfield also links this to the migration of the middle class away from such areas.

First, poverty has concentrated and is deepening in central city neighborhoods, older suburbs, and satellite cities. This concentration destabilizes schools and neighborhoods, is associated with increases in crime, and results in the flight of middle-class families and business. Ironically, as social needs accelerate in central cities and their less affluent suburbs, the property tax base supporting local services erodes...

As socioeconomic decline moves outward from the city and older suburbs, middle-class homeowners move into fringe communities...

Schools are the first victims and the most powerful perpetrators of metropolitan polarization. Local public schools become socio-economically distressed before neighborhoods themselves become poor. Increasing poverty in a city's public school children is a prophecy for the city for two reasons. First, the city's children become its adults. Second, middle-class families, who form the bedrock of stable communities, will not tolerate high concentrations of poverty in their schools.

The Office of Policy Development and Research of the U.S. Department of Housing and Urban Development's report "The Clinton Administration's National Urban Policy Report" (11) found similar results.

The concentration of poverty and the suburbanization of wealth converge on central city treasuries, where a declining tax base collides with rising public sector costs.

and

This situation yields a disastrous set of secondary effects, which further exacerbate the downward spiral of poverty concentration and fiscal distress. First, non-poor families and businesses -- already discouraged from locating in the central city by high crime and poor schools -- are inclined to leave to escape the increasing tax burden. This further erodes the tax base and puts enormous pressure on local governments to reduce expenditures, cutting the quality and scope of public services to poor and non-poor residents alike, and making the central city an even less attractive place to live, work, and invest.

and

The distress and decline of high poverty areas does not confine itself to the central city, but gradually spreads out to affect suburban areas as well.

We are seeing these effects here and now. Local residents concerned about the proposed Rolling Creek Apartments have begun to put their homes on the market. An influx of homes on the real estate market, for any reason, always depresses prices.

The effect of ignoring the poor academic performance in the area schools is that the student's chances of escaping poverty in the future are severely impaired. The Office of Policy Development and Research of the U.S. Department of Housing and Urban Development's report "The Clinton Administration's National Urban Policy Report" (11) states:

For some poor families, the most promising path toward self-sufficiency is to move from distressed, high-poverty neighborhoods to areas that offer better educational and employment opportunities. "In the United States, residential location helps define opportunity... School quality, personal safety, and job access all tend to increase as neighborhood income rises, at least from poverty levels to the middle-income range." Evidence has shown that -- with proper assistance -- the opportunity to move to a lower poverty neighborhood can lead to economic independence for poor families

EXHIBIT "J"

SUGGESTED ACTIONS

Exhibit "J"

Suggested Actions

From the data regarding the situation in the schools near the site of the proposed Rolling Creek Apartment complex and the research cited, it is clearly evident that low-income residential complexes such as Rolling Creek should be sited in areas with lower concentrations of low-income households. To do otherwise would be to perpetuate a cycle of poverty in the area. Indeed, it is part of the mandate of the TDHCA to help reduce poverty overall, as stated on page 23 of the "2005 State of Texas Low Income Housing Plan & Annual Report".

POVERTY SOLUTIONS

TDHCA has an important role in addressing Texas poverty. The Department seeks to reduce the number of Texans living in poverty, thereby providing a better future for all individuals. This means targeting resources at those with the greatest need and aiming to provide long-term solutions to the problems facing people in poverty. The Department provides low income persons with energy, emergency, and housing assistance to meet the basic necessities.

In the interest of boosting the academic performance of the area schools, it would actually be best for **all** the students if the percentage of students from low-income households were to be lowered instead of increased. This can be done by reassigning some of the students, from low-income households, to other schools with low percentages of students from low-income households. This is a solution suggested by Galster in his report to the National Association of Realtors "A Review of Existing Research on the Effects of Federally Assisted Housing Programs on Neighboring Residential Property Values".

The bulk of the evidence, albeit limited, implies a threshold around 20 percent poor in the neighborhood (Galster forthcoming). This threshold would be particularly important if it were to garner an empirical consensus because it suggests that deconcentrating poverty will not merely "move social problems around" while keeping their aggregate level unchanged. Rather, if low-income households were moved from neighborhoods exceeding the threshold to others well below it, the overall incidence of social problems throughout the metro area as a whole would be dramatically reduced (Galster forthcoming, Galster and Zobel 1998).

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References

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3. WCPSS Evaluation and Research Department. (March 2000) "The Effect of School Poverty Concentration in WCPSS". Wake County Public School System, North Carolina.
4. "Results of Four-State Study: Smaller Schools Reduce Harmful Impact of Poverty on Student Achievement". Montana Rural Education Association.
5. Orfield, M. (1998). "Portland Metropolitcs: A Regional Agenda for Community and Stability". Metropolitan Area Program (MAP) of the National Growth Management Leadership Project (NGMLP), Northwest Area Foundation and the United States Department of Housing and Urban Development
6. (2005). "2005 State of Texas Low Income Housing Plan & Annual Report". Texas Department of Housing and Community Affairs.
7. (2004). "Housing Tax Credit Owner Compliance Manual". Texas Department of Housing and Community Affairs.
8. (2005). "2005 Maximum Incomes based on 30%, 40%, 50%, 60% and 80% of Median (by MSA)". Texas Department of Housing and Community Affairs.
9. "The Impact of Low Income Housing Tax Credit Development on a Local School District". The Danter Company
10. Galster, G. PhD (September 2002). "A Review of Existing Research on the Effects of Federally Assisted Housing Programs on Neighboring Residential Property Values". Report to the National Association of Realtors.
11. (July 25, 1995). "The Clinton Administration's National Urban Policy Report". U.S. Department of Housing and Urban Development, Office of Policy Development and Research.
12. (July 17, 2005). "Low-income schools lack top teachers". Houston Chronicle article.

**THE FINANCIAL BACKGROUNDS
OF
MARK T. BOWER & DANIEL R. SERENI**

FAP firmly believes the TDHCA may use its wide discretion under the applicable statutes to consider additional relevant facts in its evaluation process. The examination of the financial backgrounds of Mr. Mark T. Bower and Mr. Daniel R. Sereni fall under this discretionary power.

It appears from the evidence (public records) attached herein and discussed below that Mr. Bower and Mr. Sereni have not exercised good financial decisions and management resulting in; forfeitures of corporate charters, tax liens, bankruptcies and discrepancies in financial filings.

I. Mark T. Bower

A. Certified Copies of Court records filed with the County Clerk's Office in Nueces County, Texas show:

1. "Notice of Federal Tax Lien"

- a. Filed by: Department of Treasury – Internal Revenue Service
- b. Date filed: 1/17/1997
- c. Doc #: 970200052
- d. Name of taxpayer: Mark Todd Bower
Mark T. Bower, CPA
- e. Kind of tax: 941
- f. Tax Period: 3/31/1996 & 6/30/1996
- g. Unpaid balance of assessment: \$28,346.34
- h. Attached as **Exhibit "A"** is a true and correct copy of the Certified Copy of the tax lien.
- i. Court records do not show a "Certificate of Release of Federal Tax Lien"

2. "Notice of Federal Tax Lien"

- a. Filed by: Department of Treasury – Internal Revenue Service
- b. Date Filed: 7/30/1998
- c. Doc #: 980201046
- e. Name of taxpayer: Mark T. & Annette A. Bower
- f. Kind of tax: 1040
- g. Tax Period: 12/31/1996
- h. Unpaid balance of assessment: \$32,298.76
- i. Attached as **Exhibit "B"** is a true and correct copy of the Certified Copy of the tax lien.
- j. "Certificate of Release of Federal Tax Lien" filed

8/06/2004, Doc# 2004040550

- k. Attached as **Exhibit "C"** is a true and correct copy of the Certified Copy of the release of tax lien.

3. "Notice of Federal Tax Lien"

- a. Filed by: Department of Treasury – Internal Revenue Service
- b. Date Filed: 10/16/1998
- c. Doc #: 1998046210
- e. Name of taxpayer: Mark T. & Annette A. Bower
- f. Kind of tax: 1040
- g. Tax Period: 12/31/1997
- h. Unpaid balance of assessment: \$13,643.84
- i. Attached as **Exhibit "D"** is a true and correct copy of the Certified Copy of the tax lien.
- j. Court records do not show a "Certificate of Release of Federal Tax Lien"

- B. Certified Copies of Court Records filed with the District Clerk's office in Nueces County, Texas show:

- **Case No. 05-1178-B;** In the Matter of the Marriage of Annette Alvarez Bower and Mark Todd Bower and In the Interest of Meredith Emilia Bower, a child; In the District Court 117th Judicial District, Nueces County, Texas (pending divorce)

1. Document Entitled: "Inventory and Proposed Property Division"

- a. Date Filed: 7/14/2005
- b. Filed By: Mark Todd Bower
- c. Document states: "13. Debts

13.1: See Attached (***It appears*** no attachments were filed)

Fair Market Value: \$820,699. The proposal gives the total Debt of \$820,699 to Mr. Bower.

- d. Attached as **Exhibit "E"** is a true and correct copy of the Certified Copy of the proposed property division.

2. Document Entitled: "Proposed Support Decision (and Information)"

- a. Date Filed: 7/14/2005
- b. Filed by: Mark Todd Bower
- c. Document states: (Attachment) "Mark and Annette Bower Debt Schedule"
Specifically lists community debts totaling \$820,699.

Included are the following listed debts:

IRS – Old Taxes: \$43,748
IRS – 2003 Taxes \$23,000
IRS – 2004 Taxes \$43,000
IRS – 2005 Taxes \$7500 (Total 117,248)
Unsecured Credit Card debt - \$47,012
Personal outstanding loans - \$218,439
Related outstanding notes - \$438,000

d. Attached as **Exhibit "F"** is a true and correct copy of the Certified Copy of the proposed support decision.

It appears with each debt listed, there were no supporting documents on file.

C. Mr. Bowers' Personal Financial Statement filed with the application to TDHCA and dated July 31, 2005, shows unsecured credit card debt of \$12,000. The only other outstanding liability listed is his car loan, which is listed on his inventory in his pending divorce case as well. That is where the similarity ends. ***It would appear*** the information in one of these filings is erroneous. How is it that all of these documents filed in the same month be so dissimilar? The Personal Financial Statement filed with TDHCA dated July 31, 2004 also makes no mention of the IRS debt. What is Mr. Bower's true financial situation? Attached as **Exhibit "G"** is a true and correct copy of the 2 financial statements.

I was at the public hearing on September 29, 2005 at Reed Elementary School and Mr. Bower was asked to respond to the unpaid tax debt. Each time he responded "I do not owe the IRS any money". He was asked if he paid these taxes since July 15, 2005 and he again responded "I do not owe the IRS any money". He would provide no further explanation.

D. A general search of civil court records on The Nueces County District Clerk's Office web site had the following results:

- **Case Number: 980602900;** Rivero, Omar, Etal vs. Mony Securities Corp., Etal; Cause of Action; Accounts, Contracts, Notes. Mr. Bower was one of 5 Defendants in the case. The case was filed on 11/25/1998 and was disposed on 7/20/2001. Docket entry shows the case was dismissed. Attached as **Exhibit "H"** are true and correct copies of the stated search.
- **Case Number: 0004498000;** Cruse, Joe, Etal vs. Mony Securities Corp., Etal; Cause of Action; Other Civil Causes. Mr. Bower was one of 9 Defendants in the case. The case was filed on 8/14/2000 and Mr. Bower was dismissed from the case on 10/25/2002. Attached as **Exhibit "I"** are true and correct copies of the stated search.

- **Case Number: 9905232000**; Nueces, County of vs. Bower, Mark T., Etal; Cause of action; Delinquent Taxes. Mr. Bower was one of 2 Defendants in the case. The case was filed on 9/28/1999 and disposed on 7/21/2000. Attached as **Exhibit "J"** are true and correct copies of the stated search.
- **Case Number: 986073000**; American Express Travel Related Services Co., Inc. vs. Bower, Mark T.; Cause of action; Accounts, Contracts, Notes. Mr. Bower was one of 2 Defendants in the case. The case was filed on 10/06/1999 and was dismissed for want of prosecution on 4/17/2003. Attached as **Exhibit "K"** are true and correct copies of the stated search.
- **Case Number: 996179000**; Holt, Howard, Etal vs. Bower, Mark, Etal; Cause of action; Accounts, Contracts, Notes. Mr. Bower was one of 3 Defendants in the case. The case was filed on 4/13/1998 and dismissed for want of prosecution on 11/15/1999. Attached as **Exhibit "L"** are true and correct copies of the stated search.

E. Documents on file with the Secretary of State's Office and Comptroller of Public Accounts Office in Austin, Texas show:

- ❖ **LarFel, Inc.**, formed on May 27, 1997, Charter Number: 1447362-00 of which Mark T. Bower is its Registered Agent and Board of Director **forfeited** its right to do business on 12/15/1998 and its Charter was **forfeited** on 8/20/1999 for failure to file a current year franchise tax report. Attached as **Exhibit "M"** are true and correct copies of the stated searches done on the TXSOS web site and the Texas Comptroller of Public Accounts web site.

F. Resume of Mark T. Bower vs. Public Records:

1. Both **appear to indicate** the following:
 - Little or no experience in the "affordable housing" market
 - No experience in Texas
 - "Office practice" experience—setting up LPs, LLCs, Companies, etc. & collections and billings
 - Cynosure Developers, LLC—Formed 8/23/2004—14 months existence
 - (a). No past or current projects
 - (b). "To be" projects only (future)
 - (c). Second time attempt for "Rolling Creek"
 - "Together they have the skills and resources..." Do they?

- Inconsistencies between the Resume, Public Records & Statements made at TDHCA sponsored hearings
2. Public records **appear to indicate** the following:
 - History of litigation issues
 - History of tax issues
 - History of paperwork issues
 - History of attention to detail issues
 3. Resume **appears to indicate** the following:
 - Everything in the future, at whose expense?
 - Future tense phrases
 - "To develop..."
 - "We will serve..."
 - "We are targeting..."
 - "We will utilize..."
 - "We will be able..."
 - "Who both bring..."
 - "Resources needed to create..."
 - "Looking to create..."
 4. Resume states the following:
 Mr. Bower is a CPA. A search of the Texas State Board of Public Accountancy gives the current license information on Mr. Bower. In addition, the database states "employment area most recently reported.... Full time **STATE GOVERNMENT...**" **This employment is not listed in Mr. Bower's resume.**

Attached as **Exhibit "N"** is a true and correct copy of Mark T. Bower's Resume on file with the TDHCA Application. Attached as **Exhibit "O"** is a true and correct copy of the stated search done on the Texas State Board of Public Accountancy web site.

II. Daniel R. Sereni

- A. Certified Copies of Court records filed with the Clerk of the United States Bankruptcy Court Southern District of Texas show:
 1. **Case Number: 91-21594-C-7;** In Re Daniel Robert Sereni United States Bankruptcy Court Southern District of Texas (McAllen) dba Bay Area Contractors, A General Partnership dba Pacific Coast Builders, A General Partnership
 - Voluntary Petition Filed 8/08/1991
 - Estimated Liabilities in Thousands of Dollars:100-499
 - Estimated Number of Creditors: 16-49

- Estimated Number of Assets in Thousands of Dollars: Under 50
- Type of Business: Construction
- Nature of Business: Residential and light commercial construction
- Pending Bankruptcy Case Filed by any Spouse, Partner or Affiliate of Debtor: Richey, Matthew, Former Partner Case Number: 390-367-39-H 13 in Oregon, Filed on 12/12/1990
- Mr. Sereni's bankruptcy was dismissed on 12/18/1991 for failure to file IBM mailing cards (notice mail to creditors)
- Report of Abandonment Filed on 2/11/1992
- Attached as **Exhibit "P"** is a true and correct copy of the Certified Copy of the Bankruptcy file.

2. **Case Number: 94-21973-M-7;** In Re Daniel Robert Sereni United States Bankruptcy Court Southern District of Texas (McAllen) dba Bay Area Contractors, A General Partnership fdba Pacific Coast Builders, A General Partnership

- Voluntary Petition Filed: 9/12/1994
- Estimated Liabilities in Thousands of Dollars: 100-499
- Estimated Number of Creditors: 16-49
- Estimated Number of Assets in Thousands of Dollars: Under 50
- Type of Business: Construction
- Nature of Business: Residential and light commercial construction
- Total Assets: \$3,770.00
- Total Liabilities: \$130,717.89
- No Assets Available to Pay Creditors
- Debtor Discharged: 1/12/1995
- Case Closed: 2/09/1995
- Attached as **Exhibit "Q"** is a true and correct copy of the certified Copy of the Bankruptcy file.

B. Documents on file with the Secretary of State's Office and Comptroller of Public Accounts Office in Austin, Texas show:

- ✓ **Falcon Realty Sales Co. Inc.**, although officially formed on February 1, 1960, Charter Number: 00094349-0, Falcon dates back to August 15, 1953, wherein its predecessor, Pummill Development Company, more specifically its shareholders, voted to amend its charter and change its name to Falcon Realty Sales Co., Inc and saw the emergence of the "Cross" family as officers. Mr. Sereni's wife is Jane Cross Sereni. PIR reports show Mr. Sereni as the President on October 10, 2002. On 2/13/2004, Falcon, with Mr. Sereni as President, ***forfeited*** its right to do business and/or its certificate of authority was ***revoked*** for failure to pay franchise taxes and/or failure to file a franchise tax return. It was not until May of 2004 that Falcon paid all of its franchise taxes and became eligible for reinstatement. Attached as **Exhibit "R"** are true

and correct copies of the stated searches done on the TXSOS web site and the Texas Comptroller of Public Accounts web site.

- ✓ **Texas Plantations, Inc.**, formed by members of the "Cross" family on November 12, 1970, Charter Number: 00283905-0. Mr. Sereni's wife is Jane Cross Sereni. Records on file indicate Mr. Sereni had no specific role with this corporation, however, it subsequently merged in October 31, 1991 with Falcon Realty Sales Co., Inc. of which Mr. Sereni was President. Attached as **Exhibit "S"** are true and correct copies of the stated searches done on the TXSOS web site and the Texas Comptroller of Public Accounts web site.
- ✓ **Texas Plantations Incorporated**, formed on May 23, 1993, Charter Number: 1273013-00 of which Daniel R. Sereni is its Secretary, Registered Agent, and Vice President **forfeited** its right to do business on 3/09/1999 and its Charter was **forfeited** on 8/20/1999 for failure to file a current year franchise tax report. Attached as **Exhibit "T"** are true and correct copies of the stated searches done on the TXSOS web site and the Texas Comptroller of Public Accounts web site.
- ✓ The records indicate this Corporation transacted business under the assumed name of **TPI** in all counties of Texas.
- ✓ **Texas Plantations Development, a Texas Corporation**, formed on March 24, 1994, Charter Number: 1306831 of which Daniel R. Sereni is one of its initial Directors, President, and Registered Agent is an active corporation and in good standing. Attached as **Exhibit "U"** are true and correct copies of the stated searches done on the TXSOS web site and the Texas Comptroller of Public Accounts web site.
- ✓ The records indicate this Corporation transacted business under the assumed names of **Texas Plantations** and **TPD** in all counties of Texas.
- ✓ **Burrito on the Rio, Inc.**, formed on May 16, 2000, Charter Number: 0158281600 of which Daniel R. Sereni is one of its initial Directors, President, and Registered Agent received notice from the Secretary of State's Office that there were grounds for forfeiture of the charter or certificate of authority. On 2/13/2004, the company was **forfeited** or its certificate of authority was **revoked**. It was not until May of 2004 that **Burrito** paid all of its franchise taxes and became eligible for reinstatement. The company's status is currently **"NOT IN GOOD STANDING"**. Attached as **Exhibit "V"** are true and correct copies of the stated searches done on the TXSOS web site and the Texas Comptroller of Public Accounts web site.

It appears from some of the filings an element of subterfuge **may exist** to cause confusion? What would be the purpose of forming several like

corporations and assumed names? The proposed project is several layers of similar named entities. What would an individual have to do in order to ascertain the true ownership? What about liability? Who is the responsible party? What happens in the event of bankruptcy?

- C. A general search of the civil records of the United States District Courts for the Southern District of Texas Official web site (PACER) had the following result:

❖ **Case Number: 7:94-cv-00102**; Rivas v. Sereni, et al; Cause of Action; Farmworker Rights. Mr. Sereni and Mrs. Sereni were the 2 Defendants in the case. Texas Plantation Development, a Texas Corporation dba Texas Plantations was the company involved in the suit. The case was filed on 6/02/1994 and was "Dismissed-Settled" on 8/02/1994. Attached as **Exhibit "W"** are true and correct copies of the stated search done on the PACER web site.

Mr. Sereni was not present at the public hearing on September 29, 2005. However, Mr. Bower was asked about the 2 Sereni bankruptcies. He dismissed the question with the following statement: ".....that was in 1991, and he is not in bankruptcy....."

- D. Resume of Daniel R. Sereni vs. Public Records:

1. Both **appear to indicate** the following:
 - Little or no experience in the "affordable housing" market
 - No experience in Texas (Affordable housing)
 - Cynosure Developers, LLC—Formed 8/23/2004—14 months existence
 - (a). No past or current projects
 - (b). "To be" projects only (future)
 - (c). Second time attempt for "Rolling Creek"
 - Inconsistencies between the Resume, Public Records & Statements made at TDHCA sponsored hearings
2. Public records **appear to indicate** the following:
 - History of litigation issues
 - History of bankruptcy issues
 - History of paperwork issues
 - History of attention to detail issues
3. Resume **appears to indicate** the following:
 - Everything either very recent or in the future, and at whose expense?
 - Future tense phrases

- “Continue to grow in business and to provide “Quality Housing” at a “Fair Price”. At whose expense?
- “...recently joined forces with Mark Bower, CPA and together have formed...and are pursuing the Multi family market ...”

4. The experience section of Mr. Sereni’s resume discusses his involvement with Pacific Coast Builders from 1985-1989, but he fails to mention the **2 bankruptcies** concerning this company that were discussed in detail earlier. Further, when examining Mr. Sereni’s tenure with Texas Plantations Development (1989-2004), the comprehensive outline done earlier of all the “Plantations” including the Federal lawsuit would appear to be useful for a complete analysis. Attached as **Exhibit “X”** is a true and correct copy of Daniel R. Sereni’s Resume on file with the TDHCA Application.

III. Rolling Creek Apartments-Organizational Chart of Organization

The proposed project is several layers of similar named entities. What would an individual have to do in order to ascertain the true ownership? What about liability? Who is the responsible party? What happens in the event of bankruptcy? What is the purpose of so many companies, partnerships, and limited liability companies? What is the goal? Who is in charge?

Attached as **Exhibit “Y”** is a true and correct copy of “Exhibit 3E Rolling Creek Apartments Organizational Chart of Ownership” on file with the TDHCA Application. There **appears** to be at least 7 levels of ownership of this 1 project. An examination of each level brings forth more levels that are not listed here. Mr. Bower and Mr. Sereni are named in some capacity at almost each and every level and stage of ownership. However, with each level comes an additional blanket of protection for them? What about us? Who will protect us? A complete listing from the TXSOS web site is as follows:

- **ROLLING CREEK APARTMENTS, LP**—Limited Partnership—Mr. Bower—formed December 8, 2004
- **NORTHWEST CONSTRUCTION COMPANY, INC**—Corporation—formed January 3, 1973
- **CYNOSURE DEVELOPERS, LLC**—Limited Liability Company—Mr. Bower & Mr. Sereni—formed August 23, 2004
- **MMA WILLOW CREEK, LLC**—Limited Liability Company—no information
- **ROLLING CREEK APARTMENTS GROUP, LLC**—Limited Liability Company—Mr. Bower & Mr. Sereni—formed December 8, 2004
- **MMA SPECIAL LIMITED PARTNER, INC**—Either a Partnership of sorts or a company—no information

- **CYNOSURE PROPERTIES, LP**—Limited Partnership—Mr. Bower—formed September 2, 2004
- **CYNOSURE PARTNERS, LLC**—Limited Liability Company—Mr. Bower & Mr. Sereni—formed September 2, 2004
- **CYNOSURE MANAGERS, LLC**—Limited Liability Company—Mr. Bower & Mr. Sereni—formed on September 2, 2004
- **CYNOSURE INVESTMENT GROUP, LP**—Limited Partnership—Mr. Bower—formed on September 2, 2004
- **ROLLING CREEK LAND PARTNERS, LLC**—Limited Liability Company—Mr. Bower & Mr. Sereni—formed on August 10, 2005

Attached as **Exhibit “Z”** are true and correct copies of the stated searches done on the TXSOS web site and the Texas Comptroller of Public Accounts web site.

The only way to judge a person’s future action is on their past actions. Mr. Bower and Mr. Sereni ***do not appear*** to have exhibited fiscal responsibility and due diligence in the past. Further, neither has exhibited the desire to prove otherwise. The information provided to you should raise many critical questions. The investigation of Mr. Bower and Mr. Sereni raises serious issues and concerns about their respective past, present and future.

Based on the facts above, FAP respectfully requests that you **DENY** this application in accordance with the Texas Department of Housing and Community Affairs Multifamily Finance Division 2005 Multifamily Housing Revenue Bond Program and the Texas Administrative Code, specifically, Title 10, “Community Development”, Part I., “Texas Department of Housing and Community Affairs”, Chapter 35, “Multifamily Housing Revenue Bond Rules”, Rule 35.6, “Application Procedures, Evaluation and Approval”, (i): which states as follows:

“Public Hearings: Board Decisions

The Department’s Board will consider the following topics in relation to the approval of a proposed Development:

(11) any matter considered by the Board to be relevant to the approval decision and in furtherance of the Department’s purposes and the policies of Chapter 2306, Texas Government Code.”

In addition, ***a possible review*** of section 35.6 (g), “Evaluation Criteria” (5)(C) and (6) ***might be*** warranted in this case.

Further authority is found in the Texas Department of Housing and Community Affairs Multifamily Finance Production Division 2005 Housing Tax Credit Program Qualified Allocation Plan and Rules with Emergency Amendments as Modified and Approved by Governor Rick Perry, section 49.10, “Board Decisions; Waiting List: Forward Commitments”, (a), “Board Decisions.” (2) which states as follows:

In making a determination to allocate tax credits, the Board shall be authorized to not rely solely on the number of points scored by an Application. It shall in addition, be entitled to take into account, as it deems appropriate, the discretionary factors listed in this paragraph. The Board may also apply these discretionary factors to its consideration of Tax Exempt Bond Developments. If the Board disapproves or fails to act upon an Application, the Department shall issue to the Applicant a written notice stating the reason(s) for the Board's disapproval or failure to act. In making tax credit decisions (including those related to Tax Exempt Bond Developments), the Board, in its discretion, may evaluate, consider and apply any one or more of the following discretionary factors: (2306.111(g)(3))

(S) any matter considered by the Board to be relevant to the approval decision and in the furtherance of the Department's purposes and the policies of Chapter 2306, Texas Government Code; or

(T) other good cause as determined by the Board.

In addition, **a possible review** of section 49.5, "Ineligibility, Disqualification and Debarment, Applicant Standards, Representation by Former Board Member or Other Person.", (a)3 and (b)(1) **might be** warranted in this case.

EXHIBIT "A"

**NOTICE OF FEDERAL TAX LIEN
FILED 1/17/1997**

District: SOUTH TEXAS Serial Number: 749722466 For Optional Use by Recording Office

As provided by sections 6321, 6322, and 6323 of the Internal Revenue Code, we are giving a notice that taxes (including interest and penalties) have been assessed against the following-named taxpayer. We have made a demand for payment of this liability, but it remains unpaid. Therefore, there is a lien in favor of the United States on all property and rights to property belonging to this taxpayer for the amount of these taxes, and additional penalties, interest, and costs that may accrue.

Doc# 970200052
 # Pages: 1
 Date: 01-17-1997
 Time: 10:47:55 A.M.
 Filed & Recorded in
 Official Records
 of NUECES County, TX.
 ERNEST M. BRIONES
 COUNTY CLERK
 Rec. \$ 16.00

Name of Taxpayer: MARK TODD BOWER
 MARK T BOWER CPA

Residence: 555 N CARANCAHUA 903
 CORPUS CHRISTI, TX 78478

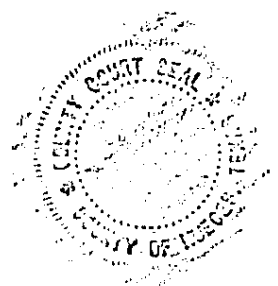
IMPORTANT RELEASE INFORMATION: For each assessment listed below, unless notice of lien is refiled by the date given in column (e), this notice shall, on the day following such date, operate as a certificate of release as defined in IRC 6325(a).

Kind of Tax (a)	Tax Period Ended (b)	Identifying Number (c)	Date of Assessment (d)	Last Day for Refiling (e)	Unpaid Balance of Assessment (f)
941	03/31/96	75-2354437	09/30/96	10/30/06	15322.18
941	06/30/96	75-2354437	12/16/96	01/15/07	13024.16
Place of Filing: PERSONAL PROPERTY NUECES COUNTY CORPUS CHRISTI, TX 78401					Total \$ 28346.34

This notice was prepared and signed at Austin, TX, on this the 09th day of January, 1997.

Signature: *Peggy J. Zamora* for PEGGY J. ZAMORA Title: Revenue Officer 74-01-3944

(NOTE: Certificate of officer authorized by law to take acknowledgments is not essential to the validity of Notice of Federal Tax Lien Rev. Rul. 71-488, 1971 - 2 C.B. 409)
 Part 1 - Kept By Recording Office Form 688 (Y) (c) (Rev. 10/93)



STATE OF TEXAS
 COUNTY OF NUECES
 I, DIANA T. BARRERA, COUNTY CLERK OF NUECES COUNTY, TEXAS, do hereby certify that the foregoing is a true and correct copy of the original record now on file and/or recorded by me in the Official Public records.
 WITNESS MY OFFICIAL HAND AND SEAL OF OFFICE, this 21st day of September, 2005.
 DIANA T. BARRERA, COUNTY CLERK
 NUECES COUNTY, TEXAS
 BY *[Signature]* Deputy

EXHIBIT "B"

**NOTICE OF FEDERAL TAX LIEN
FILED 7/30/1998**

Notice of Federal Tax Lien

District SOUTH, TEXAS	Serial Number 749847718	For Optional Use by Recording Office DOC# 980201046
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As provided by sections 6321, 6322, and 6323 of the Internal Revenue Code, we are giving a notice that taxes (including interest and penalties) have been assessed against the following-named taxpayer. We have made a demand for payment of this liability, but it remains unpaid. Therefore, there is a lien in favor of the United States on all property and rights to property belonging to this taxpayer for the amount of these taxes, and additional penalties, interest, and costs that may accrue.

Doc# 980201046
Pages: 1
Date : 07-30-1998
Time : 01:25:29 P.M.
Filed & Recorded in
Official Records
of NUECES County, TX.
ERNEST M. BRIONES
COUNTY CLERK
Rec. \$ 16.00

Name of Taxpayer MARK T & ANNETTE A BOWER

Residence 18 LAKESHORE DR
CORPUS CHRISTI, TX 78413-2634

IMPORTANT RELEASE INFORMATION: For each assessment listed below, unless notice of lien is refilled by the date given in column (e), this notice shall, on the day following such date, operate as a certificate of release as defined in IRC 6325(a).

Kind of Tax (a)	Tax Period Ended (b)	Identifying Number (c)	Date of Assessment (d)	Last Day for Refiling (e)	Unpaid Balance of Assessment (f)
1040	12/31/1996	240-94-1408	11/17/1997	12/17/2007	32295.76

Place of Filing PERSONAL PROPERTY NUECES COUNTY CORPUS CHRISTI, TX 78408	Total	\$ 32295.76
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This notice was prepared and signed at Austin, TX, on this, the 24th day of July, 1998.

Signature *Linda Smith-Barry*
for LINDA SMITH-BARRY
Title Revenue Officer, Tax Services

EXHIBIT "C"

**CERTIFICATE OF RELEASE OF FEDERAL TAX LIEN
FILED 8/06/2004**

Form 668 (Z)
(Rev. 10-2000)

1008

Department of the Treasury - Internal Revenue Service

Certificate of Release of Federal Tax Lien

Area:
WAGE & INVESTMENT AREA #5
Lien Unit Phone: (214) 767-5177

Serial Number
749847717

For Use by Recording Office

I certify that the following-named taxpayer, under the requirements of section 6325 (a) of the Internal Revenue Code has satisfied the taxes listed below and all statutory additions. Therefore, the lien provided by Code section 6321 for these taxes and additions has been released. The proper officer in the office where the notice of internal revenue tax lien was filed on July 30, 1998, is authorized to note the books to show the release of this lien for these taxes and additions.

STATE OF TEXAS
COUNTY OF NUECES
I hereby certify that this instrument was FILED in File Number _____ Sequence on the date and at the time stamped herein by me, and was duly RECORDED, in the Official Public Records of Nueces County, Texas.



Diana T. Barrera
COUNTY CLERK
NUECES COUNTY, TEXAS

Name of Taxpayer
MARK T & ANNETTE A BOWER

Residence 18 LAKESHORE DR
CORPUS CHRISTI, TX 78413-2634

Any provision herein which restricts the Sale, Rental or use of the described REAL PROPERTY because of Race, Color, Religion, Sex, Handicap, Familial Status or National Origin, is invalid and unenforceable under FEDERAL LAW, 3/12/89

COURT RECORDING INFORMATION:

Liber Page UCC No. Serial No.
n/a n/a n/a 1998033478

Kind of Tax (a)	Tax Period Ending (b)	Identifying Number (c)	Date of Assessment (d)	Last Day for Refiling (e)	Unpaid Balance of Assessment (f)
1040	12/31/1996	240-94-1408	11/17/1997	12/17/2007	32295.76
*****	*****	*****	*****	*****	*****

Place of Filing
REAL PROPERTY
NUECES COUNTY
CORPUS CHRISTI, TX 78403

Total \$

Doc# 2004040550
Pages 10
Filed 06/29/04 03:01:22 PM
Official Records of
NUECES COUNTY
LINA T. BARRERA
COUNTY CLERK
Fees \$16.00

This notice was prepared and signed at Austin, TX

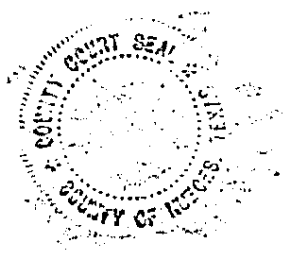
the 30th day of June, 2004.

Signature *Patty L. Haywood* Title Compliance Technical Support Manager

(NOTE: Certificate of officer authorized by law to take acknowledgments is not essential to the validity of Certificate of Release of Federal Tax Lien Rev. Rul. 71-466, 1971 - 2 C.B. 409)

Part 1 - RECORDING OFFICE

Form 668 (Z) (Rev. 10-2000)
CAT. NO 600281



STATE OF TEXAS
COUNTY OF NUECES

I, DIANA T. BARRERA, COUNTY CLERK OF NUECES COUNTY, TEXAS, do hereby certify that the foregoing is a true and correct copy of the original record now on file and/or recorded by me in the

Official Public records.

WITNESS MY OFFICIAL HAND AND SEAL OF OFFICE, this

20th day of *September* 20 *05*

DIANA T. BARRERA, COUNTY CLERK
NUECES COUNTY, TEXAS

BY *[Signature]* Deputy

EXHIBIT "D"

**NOTICE OF FEDERAL TAX LIEN
FILED 10/16/1998**

District: SOUTH TEXAS Serial Number: 749850377
 For Optional Use by Recording Office: DOC# 1998046210


As provided by sections 6321, 6322, and 6323 of the Internal Revenue Code, we are giving a notice that taxes (including interest and penalties) have been assessed against the following-named taxpayer. We have made a demand for payment of this liability, but it remains unpaid. Therefore, there is a lien in favor of the United States on all property and rights to property belonging to this taxpayer for the amount of these taxes, and additional penalties, interest, and costs that may accrue.

Doc# 1998046210
 # Pages: 1
 Date: 10-16-1998
 Time: 01:43:26 P.M.
 Filed & Recorded in Official Records of NUECES County, TX.
 ERNEST M. BRIONES
 COUNTY CLERK
 Rec. \$ 16.00

Name of Taxpayer: MARK T & ANNETTE A BOWER

Residence: 18 LAKESHORE DR
 CORPUS CHRISTI, TX 78413-2634

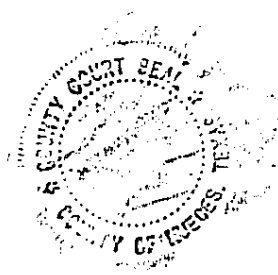
IMPORTANT RELEASE INFORMATION: For each assessment listed below, unless notice of lien is refilled by the date given in column (a), this notice shall, on the day following such date, operate as a certificate of release as defined in IRC 6325(a).

Kind of Tax (a)	Tax Period Ended (b)	Identifying Number (c)	Date of Assessment (d)	Last Day for Refiling (e)	Unpaid Balance of Assessment (f)	
1040	12/31/1997	240-94-1408	08/24/1998	09/23/2008	13643.85	
<p>Any provision herein which restricts the Sale, Rental or use of the described REAL PROPERTY because of Race, Color, Religion, Sex, Handicap, Familial Status or National Origin, is invalid and unenforceable under FEDERAL LAW. 3/12/89</p> <p>STATE OF TEXAS COUNTY OF NUECES I hereby certify that this instrument was FILED in File Number Sequence of the date and at the time stamped herein by me, and was duly RECORDED, in the Official Public Records of Nueces County, Texas</p>  <p><i>Ernest M. Briones</i> COUNTY CLERK NUECES COUNTY, TEXAS</p>						
Place of Filing: Real Property, Nueces County, Corpus Christi, TX 78403					Total \$	13643.85

This notice was prepared and signed at Austin, TX, on this, the 06th day of October, 1998.

Signature: for LINDA SMITH-BARRY *Linda Barry*
 Title: Revenue Officer 74-01-3945

(NOTE: Certificate of officer authorized by law to take acknowledgments is not essential to the validity of Notice of Federal Tax Lien Rev. Rul. 71-466, 1971-2 C.B. 409)



STATE OF TEXAS
 COUNTY OF NUECES
 I, DIANA T. BARRERA, COUNTY CLERK OF NUECES COUNTY, TEXAS, do hereby certify that the foregoing is a true and correct copy of the original record now on file and/or recorded by me in the Official Public Records.
 I, *Diana T. Barrera*, do hereby certify that the foregoing is a true and correct copy of the original record now on file and/or recorded by me in the Official Public Records.
 DIANA T. BARRERA, COUNTY CLERK
 NUECES COUNTY, TEXAS
 BY *Diana T. Barrera* Deputy

EXHIBIT "E"

**INVENTORY AND PROPOSED PROPERTY DIVISION
CASE NO. 05-1178-B
FILED 7/14/2005**

INVENTORY AND PROPOSED PROPERTY DIVISION

CAUSE NO: 05-1178-B

NAME: IN THE MATTER OF THE MARRIAGE OF BOWER

	Fair Market Value	WIFE	HUSBAND	JUDGE'S NOTES
1. REAL PROPERTY				
1.01:				
FMV	115,000	115,000		
First Lien				
NET EQUITY				
1.02:				
FMV				
First Lien				
NET EQUITY				
1.03:				
FMV				
First Lien				
NET EQUITY				
VEHICLES, BOATS, ETC.				
2.01: 2004 SUBURBAN				
NADA Value	33,900		33,900	
First Lien	43,826		43,826	
NET EQUITY	(9,926)		(9,926)	
2.02: 2002 GRAND MARQUIS				
NADA Value	13,975	13,975		
First Lien	10,827		10,827	
NET EQUITY	3,148	13,975	(10,827)	
2.03:				
NADA Value				
First Lien				
NET EQUITY				
3. FINANCIAL ACCOUNTS				
3.01: WELLS FARGO- CHECKING	500		500	
3.02: WELLS FARGO- SAVINGS	65		65	
3.03: BANK OF AMERICA	500	500		
3.04:				
3.05:				
4. BROKERAGE & INVESTMENT ACCTS				

BY *[Signature]*
 2005 JUL 14 A 11 53
 DISTRICT COURT
 COUNTY, TEXAS
 DEPT.

4.01: NONE				
4.02:				
4.03:				
5. STOCKS (Certificates held by party)				
5.01: NONE				
5.02:				
5.03:				
6. IRA'S AND ANNUITIES				
6.01: NONE				
6.02:				
6.03:				
7. INSURANCE				
7.01: NONE				
7.02:				
7.03:				
8. FURNITURE & FURNISHINGS				
See attached Exhibit	50,000	40,000	10,000	
9. SPECIAL COLLECTIONS				
See attached Exhibit				
10. BUSINESS INTERESTS				
10.1: CYNOSURE DEVELOPERS	0		0	
10.2:				
10.3:				
11. EMPLOYMENT BENEFITS				
11.1: NONE				
11.2:				
11.3:				
11.4:				
12. OTHER PROPERTY				
12.1: NONE				
12.2:				
12.3:				
TOTAL COMMUNITY PROPERTY:	\$ 44,287	\$ 54,475	\$ (10,188)	
3. DEBTS				
13.1: SEE ATTACHED	820,699		820,699	

EXHIBIT "F"

PROPOSED SUPPORT DECISION (AND INFORMATION)

CASE NO. 05-1178-B

FILED 7/14/2005

PROPOSED SUPPORT DECISION (And Information)

CAUSE NO: 05-1178-B

NAME: IN THE MATTER OF THE MARRIAGE OF BOWER

MONTHLY INCOME (include income from all sources)	GROSS	DEDUCTIONS	NET INCOME
1 CYNOSURE DEVELOPERS- PAY	\$ 7,500	\$ 1,403	\$ 6,097
2 CYNOSURE DEVELOPERS- CAR ALLOWANCE	\$ 800	\$	\$ 800
3 VALLEY EAR, NOSE & THROAT	\$ 5,000	\$ 1,500	\$ 3,500
4	\$	\$	\$
TOTAL MONTHLY INCOME FROM ALL SOURCES	\$13,300	\$ 1,903	\$ 10,397
1. HOME EXPENSES:			EXPENSES
Mortgage/Rental Payment			1,550
Insurance (omit if part of payment)			30
Maintenance & repairs			30
2. UTILITIES			200
Electricity			
Gas/Water/Waste			100
Telephone (home)			150
Telephone (Cell)			100
Internet Service Provider			
3. PRESENT SUPPORT PAYMENTS:			
Child support payments to other children			
Alimony or spousal maintainence payments			
4. FOOD:			1,500
5. CHILD(REN)'S EXPENSES:			
Child Care			
Child(ren)'s Present Activities			
Private School (if presently attending)			
School Lunches			
6. TRANSPORTATION EXPENSES:			
Auto payment			944
2nd auto payment			488
Gasoline			200
Auto insurance			118
Repairs & maintenance			

2005 JUL 14 A 11:53
 BY *[Signature]* DPTY

JUDICIAL CLERK
 HUESKER COUNTY, TEXAS

7. CLOTHING & LAUNDRY:			60
8. INSURANCE PREMIUMS (not deducted from wages)			
Health			
Dental			
Life			390
9. UNINSURED MEDICAL, DENTAL AND MEDICINE:			
Medical and medicine			
Dental and orthodontic			300
Counseling or mental health			
10. NEWSPAPERS, PERIODICALS & BOOKS:			
11. RECREATION AND ENTERTAINMENT:			
12. CHARITABLE CONTRIBUTIONS:			
13. MONTHLY DEBT INSTALLMENTS:			
1.01: SEE ATTACHED LIST			3,430
1.02:			
1.03:			
1.04:			
1.05:			
MISCELLANEOUS:			
TOTAL ESTIMATED CURRENT MONTHLY EXPENSES:			\$ 9,492

SUPPORT NEEDED/EXCESS INCOME:

\$ 905

I ask the Court to set support at \$1,000 per month for 6 months.

SIGNED THIS _____ DAY OF _____, 2003

Mark T. Brown

**Mark and Annette E. [redacted]
Debt Schedule**

	Total Debt	Current Payment	Minimum Payment	
Credit Card Debt				
Bank First (ANB)	1,449	200	50	attached
Orchard	2,172	250	60	attached
Orchard	1,573	250	50	attached
Providian	3,500	250	85	attached
Providian	4,300	250	85	attached
IRS - Old Taxes	43,748	2,000	2,000	attached - Cynosure Properties, LP
American Express	34,018	1,000	1,000	attached - The Reyes Law Firm
Maybelle Buckmaster	<u>5,700</u>	<u>100</u>	<u>100</u>	copy with the WHI related notes
	96,460	4,300	3,430	
Other Debt				
IRS - 2003 Taxes	23,000			see IRS letter
IRS - 2004 Taxes	43,000			see 2004 tax return
IRS - 2005 Taxes	7,500			6 months @ \$1,500 each month
Annette's Mom	27,739			unable to find note copy
Charles Crook	75,000			attached
William S. Goldman	45,000			unable to find note copy
Florence Courtney	65,000			unable to find note copy
WHI Related Notes	<u>438,000</u>	<u>0</u>	<u>0</u>	see attached list
	724,239	0	0	
Total Debt	<u>820,699</u>	<u>4,300</u>	<u>3,430</u>	

STATE OF TEXAS
COUNTY OF NUECES

I, PATSY PEREZ, DISTRICT CLERK OF NUECES COUNTY
Texas, do hereby certify that the foregoing is a
true and correct copy of the original record now
in my lawful custody and possession, as appears

of record filed July 14 2005 in my office.

Witness my official hand and seal of office, this

Sept 26 2007

PATSY PEREZ, DISTRICT CLERK

Nueces County, Texas

By [Signature] Deputy

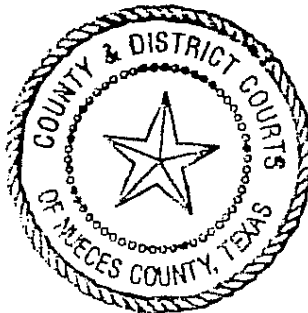


EXHIBIT "G"

**PERSONAL FINANCIAL STATEMENT
ON FILE WITH TDHCA
DATED 7/31/2005**

**PERSONAL FINANCIAL STATEMENT
ON FILE WITH TDHCA
DATED 7/31/2004**

Name: Mark T. Bower

As of: July 31, 2005

Mark T. Bower
Mark T. Bower

SECTION 2. FINANCIAL STATEMENT			
ASSETS		LIABILITIES AND NET WORTH	
Cash on Hand in Banks	↳(Indicate Name of Institution)	Unsecured Accounts Payable	↳(Indicate Name of Institution)
Wells Fargo	\$ 5,065		\$
	\$		\$
	\$		\$
	\$		\$
	\$		\$
Total Cash on Hand	\$		\$
Accounts Receivable	\$ SCHEDULE A		\$
Less Doubtful Accounts	<\$ > \$	Total Accounts Payable	\$
Current Portion Notes Rec.	\$ SCHEDULE A	Cur. Stock Notes Payable	SCHEDULE B \$
Less Doubtful Notes	<\$ > \$	Cur. Real Estate Notes Pay.	SCHEDULE C \$
Stock, Bonds (Market Value)	SCHEDULE B \$	Other Cur. Sec. Notes Payable	SCHEDULE E \$
Other Current Assets	↳(Describe)	Other Current Liabilities	↳(Describe)
	\$		\$
	\$		\$
	\$		\$
Total Other Current Assets	\$	Total Other Cur. Liabilities	\$
Total Current Assets	\$ 5,065	Total Current Liabilities	\$
Long Term Notes Receivable	\$ SCHEDULE A	LT Stock Notes Payable	SCHEDULE B \$
Less Doubtful Notes	<\$ > \$	LT Real Estate Notes Payable	SCHEDULE C \$
Real Property - At Net*	SCHEDULE C \$	Other L/T Sec. Notes Payable	SCHEDULE E \$
Machinery Equipment - Net*	\$	Other Long Term Liabilities	↳(Describe)
Fixtures -At Net*	\$	Auto loan	\$ 42,000
Life Insurance (Cash Value)	\$ SCHEDULE D	Unsecured Credit Cards	\$ 12,000
Less Loans	<\$ > \$		\$
Other Long Term Assets	↳(Describe)		\$
Non-Marketable Securities	\$ 175,000		\$
Automobile	\$ 35,000	Total Other L/T Liabilities	\$
Other Personal Property	\$ 25,000	Total Long Term Liabilities	\$ 54,000
	\$	TOTAL LIABILITIES	\$ 54,000
Total Other Assets	\$	CONT. LIABILITIES	\$ SCHEDULE F
Total Long Term Assets	\$ 235,000	TOTAL NET WORTH	\$ 186,065
TOTAL ASSETS	\$ 240,065	TOTAL LIABILITIES AND NET WORTH	\$ 240,065
*Cost, including improvements, less depreciation			
Bank References			
Institution Name	Contact Person	Phone Number	
Wells Fargo	Misty Juracek	361-886-6669	

Name: Mark T. Bower

As of: July 31st, 2004

Mark T. Bower
 Signature of Person or Authorized Representative
 Mark T. Bower

SECTION 2. FINANCIAL STATEMENT

ASSETS		LIABILITIES AND NET WORTH	
Cash on Hand in Banks	Ⓜ(Indicate Name of Institution)	Unsecured Accounts Payable	Ⓜ(Indicate Name of Institution)
Wells Fargo Bank	\$ 5,000	Credit Card Debt	\$ 25,000
Wells Fargo Bank	\$ 5,000		\$
	\$		\$
	\$		\$
	\$		\$
	\$		\$
Total Cash on Hand	\$ 10,000		\$
Accounts Receivable	\$ SCHEDULE A		\$
Less Doubtful Accounts	<\$ > \$	Total Accounts Payable	\$ 25,000
Current Portion Notes Rec.	\$ SCHEDULE A	Cur. Stock Notes Payable	SCHEDULE B \$
Less Doubtful Notes	<\$ > \$	Cur. Real Estate Notes Pay.	SCHEDULE C \$
Stock, Bonds (Market Value)	SCHEDULE B \$ 45,000	Other Cur. Sec. Notes Payable	SCHEDULE E \$ 16,600
Other Current Assets	Ⓜ(Describe)	Other Current Liabilities	Ⓜ(Describe)
	\$	Lone Star Bank	\$ 3,000
	\$		\$
	\$		\$
Total Other Current Assets	\$	Total Other Cur. Liabilities	\$ 3,000
Total Current Assets	\$ 55,000	Total Current Liabilities	\$ 44,600
Long Term Notes Receivable	\$ SCHEDULE A	L/T Stock Notes Payable	SCHEDULE B \$
Less Doubtful Notes	<\$ > \$	L/T Real Estate Notes Payable	SCHEDULE C \$
Real Property - At Net*	SCHEDULE C \$	Other L/T Sec. Notes Payable	SCHEDULE E \$ 50,600
Machinery Equipment - Net*	\$	Other Long Term Liabilities	Ⓜ(Describe)
Fixtures -At Net*	\$		\$
Life Insurance (Cash Value)	\$ SCHEDULE D		\$
Less Loans	<\$ > \$		\$
Other Long Term Assets	Ⓜ(Describe)		\$
Auto	\$ 45,000		\$
Auto	\$ 16,000	Total Other L/T Liabilities	\$
Home Inventory	\$ 100,000	Total Long Term Liabilities	\$ 50,600
	\$	TOTAL LIABILITIES	\$ 95,200
Total Other Assets	\$ 161,000	CONT. LIABILITIES	\$ SCHEDULE F
Total Long Term Assets	\$ 161,000	TOTAL NET WORTH	\$ 120,800
TOTAL ASSETS	\$ 216,000	TOTAL LIABILITIES AND NET WORTH	\$ 216,000

*Cost, including improvements, less depreciation

Bank References		
Institution Name	Contact Person	Phone Number
Wells Fargo Bank	Misty Jurecek	(361) 886-6669

Name: Mark T. Bower

As of: July 31st, 2004

Mark T. Bower
 Mark T. Bower

SECTION 2. FINANCIAL STATEMENT (MAKE ADDITIONAL COPIES OF THIS PAGE AS NEEDED.)

SCHEDULE A - ACCOUNTS AND NOTES RECEIVABLE					
Type ¹	Name	Address	Due in Less Than 1 Year	Due in More Than 1 Year	Doubtful Accounts
			\$	\$	\$
			\$	\$	\$
			\$	\$	\$
			\$	\$	\$
			\$	\$	\$
			\$	\$	\$
			\$	\$	\$
TOTAL			\$	\$	\$

SCHEDULE B - STOCKS AND BONDS					
Description	Exchange ²	Original Cost	Market Value	Margined Pledged	S/T. or L/T
Investment in Cynosure Properties, LP		\$	\$ 40,500	\$	
Investment in Cynosure Properties, LLC		\$	\$ 4,500	\$	
		\$	\$	\$	
		\$	\$	\$	
		\$	\$	\$	
TOTAL		\$	\$ 45,000	\$	

SCHEDULE C - REAL PROPERTY (LIST ALL PROPERTY INTERESTS)						
Location & Description of Land and Building Owned (Indicate Private Residence, if Any)	Age	Net Cost ³	Market Value	Assessed Value	Debt Due in < 1 year	Debt Due in > 1 year
		\$	\$	\$	\$	\$
		\$	\$	\$	\$	\$
		\$	\$	\$	\$	\$
		\$	\$	\$	\$	\$
		\$	\$	\$	\$	\$
		\$	\$	\$	\$	\$
		\$	\$	\$	\$	\$
TOTAL		\$	\$	\$	\$	\$

Title: The legal and equitable title to all places of the above-described real estate is solely in my name, except as follows:

Location of Real Property	Name of Title Holders

¹ Specify if amount is due from partners (P), employees (E) or relatives (R)
² Specify exchange that stock is traded; **widely held** if not publicly traded, more than 10 unrelated shareholders, and amount listed is less than 50% of outstanding shares; or **closely held** if fewer than 10 unrelated shareholders
³ Cost, including improvements, less depreciation

EXHIBIT "H"

**RIVERO, OMAR ETAL
VS
MONY SECURITIES CORP ETAL
CASE NO. 980602900
FILED 11/25/1998**



[Log Out](#)

Number	Last, First Name	Cause #
①	BOWER, MARK	9806029000
2	BOWER, MARK	0004498000
3	BOWER, MARK T.	9905232000
4	BOWER, MARK TODD	0501178000

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[New Search](#)



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CI9806029000D

Cause Number: **9806029000-D**Case Status: **Disposed**Cause of Action: **ACCOUNTS,
CONTRACTS, NOTES**Date Filed: **11/25/1998**Date Disposed:
07/20/2001

**RIVERO, OMAR, ET AL
vs. MONY SECURITIES CORP., ET AL**

Num.	Litigant	Def/Pln	Lit. Seq. #
1	OMAR RIVERO	Plaintiff	0001
2	HARVEY FERGUSON	Plaintiff	0002
3	RIVERO FERRGUSON PARTSHP.	Plaintiff	0003
4	ROBERT BRUNKENHOEFER	Plaintiff	0004
5	THOMAS DAVIS	Plaintiff	0010
6	BETTY S. DAVIS	Plaintiff	0011
7	KATHY SNAPKA	Plaintiff	0012
8	SCOTT MCCALL	Plaintiff	0013
9	MCCALL SERVICES	Plaintiff	0014
10	AMANDA SUE MCCALL	Plaintiff	0015
11	ANNA NICOLE MCCALL	Plaintiff	0016
12	BRUNKENHOEFER LAW FIRM, P.C.	Plaintiff	5017
13	PROFIT SHARING PLAN	Plaintiff	0018
14	W. SCOTT MCALL	Plaintiff	0019

15	IAN SCOTT MCCALL	Plaintiff	0020
16	MONY SECURITIES CORP.	Defendant	5005
17	MARK KEMP	Defendant	5006
18	CHRISTOPHER FELCH	Defendant	5007
19	ARTHUR ALLEN	Defendant	5008
20	MARK BOWER	Defendant	5009

[Documents Filed](#)

[Docket Entries](#)

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CI9806029000D

Cause Number: **9806029000-D**
 Case Status: **Disposed**
 Cause of Action: **ACCOUNTS,
 CONTRACTS, NOTES**

Date Filed: **11/25/1998**Date Disposed:
07/20/2001

Documents Filed

Date Filed	Entry
11/25/1998	INFO SHEET F SERV REQ/AG
11/25/1998	ORIGINAL PETITION FILED
11/30/1998	PLT'S 1ST AMD ORIG PTN/JPG (FS)
11/30/1998	INFO SHEET REQ SVC/JPG
12/11/1998	CITATION (CM): MARK KEMP
12/11/1998	SERVED: 12/12/98 FILED: 12/14/98
12/11/1998	CITATION (CM): CHRISTOPHER FELCH
12/11/1998	SERVED: 12/15/98 FILED: 12/18/98
12/11/1998	CITATION (CM): ARTHUR ALLEN
12/11/1998	SERVED: 12/15/98 FILED: 12/21/98
12/11/1998	CITATION (CM): MARK BOWER
12/11/1998	SERVED: 12/16/98 FILED: 12/17/98
12/11/1998	CITATION (CM): MONY SECURITIES CORP.
12/11/1998	SERVED: 12/15/1998 FILED: 01/07/1999
12/18/1998	ORIGINAL ANSWER: MARK BOWER
12/28/1998	ORIGINAL ANSWER: CHRISTOPHER FELCH
12/29/1998	ORIGINAL ANSWER: ARTHUR ALLEN
01/04/1999	ORIGINAL ANSWER: MARK KEMP
01/07/1999	ORIGINAL ANSWER: MONY SECURITIES CORP.
01/07/1999	JURY FEE: Pd. by D. FERGUSON MCNIEL
01/13/1999	PLTS' 2ND AMD ORIG PTN/FF (FS)
02/19/1999	RULE 11
02/26/1999	PLT 3RD AMD ORIG PTN/GG (FS)
03/01/1999	PLT REPSO T RULE 194 DISCLOSURE O DFT MONY SECURTIES CORP/GG
03/05/1999	DFT MARK KEMP OBJT & ANS T PLT REQ F DISCLOSURE/GG
03/11/1999	DFT CHRISTOPHER FELCH OBJT & ANS T PLT REQ F DISCLOSURE/GG
03/11/1999	DFT MARK BOWER RESPO T PLT REQ F

01/05/2000 DISCLOSURE/GG
 02/16/2000 NOTC O CHNG O ADDR/GG
 02/16/2000 NON-SUIT O OMAR RIVERO, HARVEY
 FERGUSON & RIVERO FERGUSON
 02/16/2000 PARTNERSHIP/AG
 04/07/2000 POSITION STATEMNT O DFT ARTHUR ALLEN/GG
 04/10/2000 DFT MARK KEMP MTN T CONTINUE/GG
 04/11/2000 MONY SECURITIES CORP'S POSITION
 PAPER/GC
 04/11/2000 POSITION STATEMNT O DFT MARK BOWER
 CHNG O ADDR & TELEPHONE NUMB
 04/11/2000 O DFT MARK BOWER/LL
 04/11/2000 POSITION STATEMNT O DFT CHRISTOPHER
 FELCH/LL
 04/12/2000 PLAINTIFFS' STATEMENT OF THE
 CASE/WALKED UP BY RUNNER/JAU
 04/12/2000 POSITION STATEMENT OF DFT MARK KEMP/JG
 04/12/2000 CERTIFICATE OF SERVICE FOR MTN F
 CONTINUANCE/JG
 04/12/2000 JURY FEE: Pd. by ANTHONY F. CONSTANT
 04/17/2000 PLT AGREE THAT DFT MARK KEMP MTN T
 CONTINUE SHOULD B GRANTED
 06/14/2000 DFN ARTHUR ALLEN'S 1ST AMD ANS/LM
 06/14/2000 PLT 4TH AMD ORIG ANS/GG
 06/14/2000 CROSS CLAIM: ARTHUR ALLEN
 06/15/2000 PLT 5TH AMD ORIG PTN/GG (FS)
 06/26/2000 ORIGINAL ANSWER:MONY SECURITIES CORP
 08/14/2000 NOTC O APPEAR O CNSL/GG
 08/30/2000 MONY SECURITIES CORP DESIGN O
 EXPERTS/GG
 08/31/2000 MONY SECURITIES CORP NOTC O INT TK ORAL
 DEPO SUBP D/T
 09/05/2000 RULE 11 AGRMNT/GG
 09/05/2000 PLT OBJT T MONY SECURITIES CORP SUBP D/T
 09/07/2000 RULE 11 AGRMNT/GG
 09/07/2000 PLT 6TH AMD ORIG PTN/GG (FS)
 09/12/2000 RULE 11 AGRMNT/GG
 09/12/2000 DFT MARK KEMP UNOPPOSED MTN F SUBS O
 CNSL/GG
 09/19/2000 MONY SECURITIES CORP OBJT & RESPO T PLT
 INTEROGS/GG
 09/19/2000 MONY SECURITIES CORP RESPO & OBJT T PLT
 REQ F PRODN/GG

09/21/2000 DFT'S 1ST AMD ANS
10/02/2000 PLT 7TH AMD ORIG PTN/GG (FS)
10/06/2000 DFT ARTHUR ALLEN 1ST RULE 166(C) & RULE
166(I) MTN F SUMM/JGMT
10/06/2000 AGAINST PLT KATHY SNAPKA &
BRIEF I SPT THEREOF/GG
10/06/2000 DFT AUTHUR ALLEN 1ST RULE 166(C) & RULE
166(I) MTN F SUMM/JGMT
10/06/2000 AGAINST PLT ROBERT
BRUNKENHOFFER & BRIEF I SPT
THEREOF/GG
10/06/2000 DFT ARTHUR ALLEN 1ST RULE 166(C) & RULE
166(I) MTN F SUMM/JGMT
10/06/2000 AGAINST PLT SCOTT MCCALL &
BRIEF I SPT THEREOF/GG
10/06/2000 DFT ARTHUR ALLEN 1ST RULE 166(C) & RULE
166(I) MTN F SUMM/JGMT
10/06/2000 AGAINST PLT BETTY S DAVIS &
BRIEF I SPT THEREOF/GG
10/06/2000 DFT ARTHUR ALLEN 1ST RULE 166(C) & RULE
166(I) MTN F SUMM/JGMT
10/06/2000 AGAINST PLT THOMAS DAVIS &
BRIEF I SPT THEREOF/GG
10/06/2000 DFT ARTHUR ALLEN OBJT T ROBERT
BRUNKENHOFFER TRUSTEE F ROBERT
10/06/2000 BRUNKENHOFFER P.C. PROFIT
SHARING PLAN A PLT THIS CAUSE &
10/06/2000 1ST RULE 166(C) & RULE 166(I) MTN F
SUMM/JGMT AGAINST PLT
10/06/2000 ROBERT BRUNKENHOFFER AS
TRUSTEE F ROBERT
BRUNKENHOFFER P.C.
10/06/2000 PROFIT SHARING PLAN & BRIEF I SPT
THEREOF/GG
10/11/2000 DFT ARTHUR ALLEN 2ND AMD ANS & 1ST AMD
X-CLAIMS/GG
10/11/2000 DFT ARTHUR ALLEN MTN F BIFURCATED TRIAL
O EXEMPLARY DAMAGES/GG
10/13/2000 JOINT MTN FOR CONTINUANCE/WALKED
UP/JAU
10/16/2000 DFT ARTHUR ALLEN MTN F SEPARATE
TRIAL/GG
10/24/2000 RULE 11 AGRMNT/GG
10/25/2000 PLT 8TH AMD ORIG PTN/GG (FS)

10/30/2000 PLT RESPO T DFT ARTHUR ALLEN MTN F
 SEPARATE TRIAL/GG
 10/30/2000 RESPO O PLT ROBERT BRUNKENHOEFER T
 DFT ARTHUR ALLEN OBJT T HIS
 10/30/2000 REPERSENTATIVE O BEHALF O
 BRUNKENHOEFER LAW FIRM P.C.
 10/30/2000 PROFIT SHARING PLAN/GG
 10/30/2000 PLT JOINT RESPO T DFT ARTHUR ALLEN MTN F
 SUMM/JGMT/GG
 11/06/2000 NOTC O APPEAR O CNSL/GG
 11/06/2000 PLT 1ST AMD ORIG PTN/GG
 11/29/2000 ORIGINAL ANSWER: MARK KEMP
 12/20/2000 ORAL DEPO O MARK KEMP/GG
 12/29/2000 REPTR CERTF DEPO O ARTHUR ALLEN/GG
 01/02/2001 MONY SECURITIES CORP AMD NOTC O INT TK
 ORAL DEPO & SUPB D/T
 01/31/2001 NOTC O TK DEPO O J.K. MCANDREW ET,AL/GG
 02/13/2001 LTR F VAC/GG
 02/19/2001 PLT 1ST SUPLMTL PTN/GG
 03/22/2001 REPTR CERTF DEPO O BETTY S DAVIS/GG
 03/26/2001 SECOND AMENDED ANSWER: MONY
 SECURITIES CORP.
 03/29/2001 REPTR CERTF DEPO O KATHRYN SNAPKA/GG
 03/29/2001 REPTR CERTF DEPO O W. SCOTT MCCALL/GG
 04/10/2001 NOTC O ORAL HRG O MONY SECURTIES CORP
 MTN F SUMM/JGMT AGAINST
 04/10/2001 PLTS/GG
 04/10/2001 MONY SECURITIES CORP MTN F SUMM/JGMT
 AGAINST PLT THOMAS DAVIS
 04/10/2001 BETTY DAVIS, SCOTT MCCALL,
 KATHY SNAPKA & ROBERT
 BRUNKENHOE
 04/10/2001 INDV & TRUSTEE F ROBERT
 BRUNKENHOEFER PC PROFIT
 SHARING PLAN
 04/10/2001 & BRIEF I SPT/GG
 04/10/2001 PLT 2ND SUPLMTL PTN/GG (FS)
 04/12/2001 MONY SECURITIES CORP THIRD AMENDED
 ANSWER/AG
 04/13/2001 PLT 3RD SUPPLEMENTAL PTN/ JU (FS)
 04/16/2001 DEFT ARTHUR ALLEN'S SUPPLEMENT TO HIS
 SECOND AMD ANSWER
 04/16/2001 DEFTSARTHUR ALLENS 2ND RULE 166 A (C)

04/16/2001 MTN FOR S/J AGAINST
PFTS AND BRIEF IN SUPPORT THEREOF
04/27/2001 MONY SECURTIES CORP 1ST SUPLMTL RESPO
T PLT RULE 194 REQ F
04/27/2001 DISCLOSURE/GG
04/30/2001 ORAL DEPO O MARK BOWER /GG
04/30/2001 ORAL DEPO O BRENT ROPER/GG
04/30/2001 ORAL DEPO O JOHN DE MONTEL/GG
04/30/2001 ORAL DEPO O FRANK ARMSTRONG/GG
04/30/2001 PLT RESPO T MONY SECURITIES CORP MTN F
SUMM/JGMT/GG
05/03/2001 MTN T W/DRAW
05/04/2001 MONY SECURITIES CORP REPLY T PLT RESPO
T DFT MTN F SUMM/JGMT
05/09/2001 DFT ARTHUR ALLEN NOTC O HRG/GG
05/17/2001 ORAL DEPO O CHRISTOPHER E. FELCH/GG

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C:9806029000D

Cause Number: **9806029000-D**
Case Status: **Disposed**
Cause of Action: **ACCOUNTS,
CONTRACTS, NOTES**

Date Filed: **11/25/1998**

Date Disposed:
07/20/2001



Docket Entries

Date of Entry	Entry
03/29/2000	ORD F D.C & PRLT CONF 4/19/00 1:15 31/711
04/26/2000	D.C.O-JRYTRL11/13/00SETLMNTCONF9/21/00 38/532
10/09/2000	FIAT 79/322
10/16/2000	ORDER GRANTG DEFT BIFURCATED TRIAL 87/756
10/18/2000	ORDER GRANTING REMOVAL FROM DOCKET 11/13/00 87/766
11/21/2000	ORD DENYING MTN F SUM JUDG 97/460
04/18/2001	ORD F PRETRIAL CONF 5/8/01 2:00 TRIAL 5/14/01 140/813
05/07/2001	ORDER GRNTG MTN T W/DRW 181/917
07/20/2001	DISMISSED BY PLAINTIFF CV 0166 P 1015-1017

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EXHIBIT "I"

**CRUSE, JOE ETAL
VS
MONY SECURITIES CORP ETAL
CASE NO. 0004498000
FILED 8/14/2000**



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Number	Last, First Name	Cause #
1	BOWER, MARK	9806029000
②	BOWER, MARK	0004498000
3	BOWER, MARK T.	9905232000
4	BOWER, MARK TODD	0501178000

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C10004498000C

Cause Number: **0004498000-C**Date Filed: **08/14/2000**Case Status: **Pending**Date Disposed: **//0**Cause of Action: **OTHER CIVIL CAUSES**

**CRUSE, JOE, ET AL
vs. MONY SECURITIES CORP., ET AL**

Num.	Litigant	Def/Pln	Lit. Seq. #
1	JOE CRUSE	Plaintiff	0001
2	NANCY CRUSE	Plaintiff	0002
3	HOWARD HOLT	Plaintiff	0003
4	JANE HOLT	Plaintiff	0004
5	SCOTT WEST	Plaintiff	0005
6	KIMBALA WEST	Plaintiff	0006
7	JEFF MYKLEBUST	Plaintiff	0007
8	DEBRA MYKLEBUST	Plaintiff	0008
9	COLVIN SMITH	Plaintiff	0009
10	GREGORY F. SILVA	Plaintiff	0010
11	BRUCE R. MCFARLAND, DR.	Plaintiff	0011
12	BRUCE R. MCFARLAND, M.D.,P.A.	Plaintiff	0012
13	JANIE GREEN, EXECUTRIX	Plaintiff	0013
14	DWIGHT GREEN, EATATE OF	Plaintiff	0014
15	EDWARD SANCHEZ	Plaintiff	0015

16	JOHN DANIEL SANCHEZ	Plaintiff	0016
17	CLEMENTE SANCHEZ	Plaintiff	0017
18	BILLY LEJEUNE	Plaintiff	0018
19	JERRY SMITH	Plaintiff	0019
20	SUZANNE SMITH	Plaintiff	0020
21	BRETT SMITH	Plaintiff	0021
22	BART COOK	Plaintiff	0022
23	HOWARD DUCKWORTH	Plaintiff	0023
24	MICHELLE DUCKWORTH	Plaintiff	0024
25	MARK DICK	Plaintiff	0025
26	STACYE H. DICK	Plaintiff	0026
27	ROBERT DANIEL	Plaintiff	0027
28	HCI PARTNERS	Plaintiff	0028
29	ROBERT B. HENSON	Plaintiff	0029
30	LELAND CHVATAL	Plaintiff	0030
31	DAVID A. COKER	Plaintiff	0031
32	JAMES DAVIS	Plaintiff	0032
33	REBECCA L. SILVA	Plaintiff	0040
34	ALMA CANALES	Plaintiff	0041
35	MARI GUERRA	Plaintiff	0042
36	RAUL GUERRA	Plaintiff	0043

37	BORDEN JENKINS	Plaintiff	0044
38	AMALIA LUERA	Plaintiff	0045
39	CHARLES MILLER	Plaintiff	0046
40	VIRGINIA MITCHELL	Plaintiff	0047
41	JANIE RODRIGUEZ	Plaintiff	0048
42	JOSUE RODRIGUEZ	Plaintiff	0049
43	BERNARD ROSS	Plaintiff	0050
44	JORGE LUIS ZAPATA	Plaintiff	0051
45	CLAIRE ZENGERLE	Plaintiff	0052
46	DAN ZENGERLE	Plaintiff	0053
47	GERALD ZENGERLE	Plaintiff	0054
48	JOHNNY O'NEAL, JR.	Plaintiff	0056
49	JOHNNY O'NEAL, SR.	Plaintiff	0057
50	REBECCA KAY O'NEAL	Plaintiff	0058
51	SEAN O'NEAL	Plaintiff	0059
52	DARRYL SMITH	Plaintiff	0060
53	STACEY SMITH	Plaintiff	0061
54	JEANNE MCMAHON	Plaintiff	0062
55	KEVIN MCMAHON	Plaintiff	0063
56	ROMERO LOPEZ	Plaintiff	0064
57	LYN AULT	Plaintiff	0065

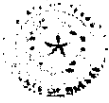
58	ROMERO G. CANALES	Plaintiff	0066
59	MONEY SECUTITES CORP.	Defendant	5033
60	MUTUAL LIFE INS. CO. OF NEW YORK	Defendant	5034
61	MARK KEMP	Defendant	5035
62	CHRISTIPHER FELCH	Defendant	5036
63	ARTHUR ALLEN	Defendant	5037
64	MARK BOWER	Defendant	5038
65	MONY SECURITIES CORP.	Defendant	5039
66	MONY LIFE INSURANCE COMPANY	Defendant	5055
67	WORLDHOME INDUSTRIES, INC.	Defendant	5067

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C10004498000C

Cause Number: **0004498000-C**Date Filed: **08/14/2000**Case Status: **Pending**Date Disposed: **//0**Cause of Action: **OTHER CIVIL CAUSES****Documents Filed**

Date Filed	Entry
08/14/2000	CIVIL CASE INFO SHEET/LL
08/14/2000	SVC SHEET- SVC REQ/LL
08/14/2000	JURY FEE: Pd. by ANTHONY F. CONSTANT
08/14/2000	ORIGINAL PETITION FILED
08/18/2000	CITATION (CM): MONY SECURITIES CORP.
08/18/2000	SERVED: 08/21/2000 FILED: 08/24/2000
08/18/2000	CITATION (CM): MONY SECURITIES CORP.
08/18/2000	SERVED: 08/21/2000 FILED: 08/24/2000
08/18/2000	CITATION (CM): MARK KEMP
08/18/2000	SERVED: 08/19/2000 FILED: 08/21/2000
08/18/2000	CITATION (CM): CHRISTIPHER FELCH
08/18/2000	SERVED: 08/22/2000 FILED: 08/24/2000
08/18/2000	CITATION (CM): ARTHUR ALLEN
08/18/2000	SERVED: 08/20/2000 FILED: 08/24/2000
08/18/2000	CITATION (CM): MARK BOWER
08/18/2000	SERVED: 08/28/2000 FILED: 08/30/2000
09/08/2000	ORIGINAL ANSWER: ARTHUR ALLEN
09/12/2000	ORIGINAL ANSWER: MONEY SECUTITES CORP.
09/12/2000	DFT MARK KEMP UNOPPOSED MTN F SUBS O CNSL/GG
09/15/2000	ORIGINAL ANSWER: MARK BOWER
09/20/2000	NOTC O NONSUIT B PLT EDWARD SANCHEZ CLEMENTE SANCHEZ & JOHN
09/20/2000	DAVID SANCHEZ/GG
09/21/2000	DFT'S 1ST AMD ANS
09/26/2000	MONY SECURITIES CORP REQ F DISCLOSURE T PLT JOE CRUSE/GG
09/26/2000	MONY SECURITIES CORP 1ST REQ F PRODN T PLT KIMBALA WEST/GG
09/26/2000	MONY SECURITIES CORP 1ST REQ F PRODN T PLT SCOTT WEST/GG

09/26/2000 MONY SECURITIES CORP 1ST REQ F PRODN T
PLT JANE HOLT/GG

09/26/2000 MONY SECURITIES CORP 1ST REQ F PRODN T
PLT HOWARD HOLT/GG

09/26/2000 MONY SECURITIES CORP 1ST REQ F PRODN T
PLT NANCY CRUSE/GG

09/26/2000 MONY SECURITIES CORP 1ST REQ F PRODN T
PLT JOE CRUSE/GG

09/26/2000 MONY SECURITIES CORP REQ F DISCLOSURE T
PLT DAVID A COKER

09/26/2000 MONY SECURITIES CORP REQ F DISCLOSURE T
PLT JAMES DAVIS

09/26/2000 MONY SECURITIES CORP REQ F DISCLOSURE T
PLT LELAND CHVATAL/GG

09/26/2000 MONY SECURITIES CORP REQ F DISCLOSURE T
PLT JACKSON B HENSON

09/26/2000 MONY SECURITIES CORP REQ F DISCLOSURE T
PLT HCI PARTNERS/GG

09/26/2000 MONY SECURITIES CORP REQ F DISCLOSURE T
PLT ROBERT DANIELS

09/26/2000 MONY SECURITIES CORP REQ F DISCLOSURE T
PLT STACYE H DICK/GG

09/26/2000 MONY SECURITIES CORP REQ F DISCLOSURE T
PLT MARK DICK/GG

09/26/2000 MONY SECURITIES CORP REQ F DISCLOSURE T
PLT MICHELLE DUCKWORTH

09/26/2000 MONY SECURITIES CORP REQ F DISCLOSURE T
PLT HOWARD DUCKWORTH

09/26/2000 MONY SECURITIES CORP REQ F DISCLOSURE T
PLT BART COOK

09/26/2000 MONY SECURITIES CORP REQ F DISCLOSURE T
PLT BRETT SMITH

09/26/2000 MONY SECURITIES CORP REQ F DISCLOSURE T
PLT SUZANNE SMITH

09/26/2000 MONY SECURITIES CORP REQ F DISCLOSURE T
PLT JERRY SMITH

09/26/2000 MONY SECURITIES CORP REQ F DISCLOSURE T
PLT BILLY LEJEUNE

09/26/2000 MONY SECURITIES CORP REQ F DISCLOSURE T
PLT JANIE GREEN

09/26/2000 MONY SECURITIES CORP REQ F DISCLOSURE T
PLT DR BRUCE R MCFARLAN

09/26/2000 MONY SECURITIES CORP REQ F DISCLOSURE T
PLT REBECCA L SILVA

09/26/2000 MONY SECURITIES CORP REQ F DISCLOSURE T

09/26/2000 PLT GREGORY F SILVA
MONY SECURITIES CORP REQ F DISCLOSURE T
PLT COLVIN SMITH

09/26/2000 MONY SECURITIES CORP REQ F DISCLOSURE T
PLT DEBRA MYKLEBUST

09/26/2000 MONY SECURITIES CORP REQ F DISCLOSURE T
PLT JEFF MYKLEBUST/GG

09/26/2000 MONY SECURITIES CORP REQ F DISCLOSURE T
PLT KIMBALA WEST

09/26/2000 MONY SECURITIES CORP REQ F DISCLOSURE T
PLT SCOTT WEST

09/26/2000 MONY SECURITIES CORP REQ F DISCLOSURE T
PLT JANE HOLT/GG

09/26/2000 MONY SECURITIES CORP REQ F DISCLOSURE T
PLT NANCY CRUSE/GG

09/26/2000 MONY SECURITIES CORP REQ F DISCLOSURE T
PLT HOWARD HOLT/GG

09/26/2000 MONY SECURITIES CORP 1ST REQ F PRODN T
PLT DAVID A COKER

09/26/2000 MONY SECURITIES CORP 1ST REQ F PRODN T
PLT JAMES DAVIS

09/26/2000 MONY SECURITIES CORP 1ST REQ F PRODN T
PLT JACKSON B HENSON

09/26/2000 MONY SECURITIES CORP 1ST REQ F PRODN T
PLT LELAND CHVATAL/GG

09/26/2000 MONY SECURITIES CORP 1ST REQ F PRODN T
PLT HCI PARTNERS/GG

09/26/2000 MONY SECURITIES CORP 1ST REQ F PRODN T
PLT ROBERT DANIEL

09/26/2000 MONY SECURITIES CORP 1ST REQ F PRODN T
PLT MARK DICK/GG

09/26/2000 MONY SECURITIES CORP 1ST REQ F PRODN T
PLT STACYE H DICK

09/26/2000 MONY SECURITIES CORP 1ST REQ F PRODN T
PLT HOWARD DUCKWORTH

09/26/2000 MONY SECURITIES CORP 1ST REQ F PRODN T
PLT MICHELLE DUCKWORTH

09/26/2000 MONY SECURITIES CORP 1ST REQ F PRODN T
PLT BRETT SMITH

09/26/2000 MONY SECURITIES CORP 1ST REQ F PRODN T
PLT BART COOK

09/26/2000 MONY SECURITIES CORP 1ST REQ F PRODN T
PLT SUZANNE SMITH

09/26/2000 MONY SECURITIES CORP 1ST REQ F PRODN T
PLT JERRY SMITH

09/26/2000 MONY SECURITIES CORP 1ST REQ F PRODN T
PLT JANIE GREEN

09/26/2000 MONY SECURITIES CORP 1ST REQ F PRODN T
PLT BILL LEJEUNE

09/26/2000 MONY SECURITIES CORP 1ST REQ F PRODN T
PLT REBECCA L SILVA

09/26/2000 MONY SECURITIES CORP 1ST REQ F PRODN T
PLT DR BRUCE R MCFARLAND

09/26/2000 MONY SECURITIES CORP 1ST REQ F PRODN T
PLT COLVIN SMITH

09/26/2000 MONY SECURITIES CORP 1ST REQ F PRODN T
PLT GREGORY F SILVA

09/26/2000 MONY SECURITIES CORP 1ST REQ F PRODN T
PLT DEBRA MYKLEBUST

09/26/2000 MONY SECURITIES CORP 1ST REQ F PRODN T
PLT JEFF MYKLEBUST

09/28/2000 ORIGINAL ANSWER: MARK KEMP

10/02/2000 PLT 1ST AMD ORIG PTN O PLT EXCEPT PLT
SCOTT WEST & KIMBALA WEST

10/30/2000 PLT S. SCOTT WEST & KIMBALA WEST CERTF O
WRN DISCVY/GG

10/31/2000 NOTC O NONSUIT B PLT DAVID A COKER

11/08/2000 PLTS' 2ND AMD ORIG PTN/GC (FS)

11/08/2000 SVC INFO SHEET/GC

11/13/2000 CITATION (CM): MONY LIFE INSURANCE
COMPANY

11/13/2000 SERVED: 11/15/2000 FILED: 11/20/2000

11/13/2000 CITATION (CM): CHRISTIPHER FELCH

11/13/2000 SERVED: UNSERVED FILED:
12/15/2000

11/20/2000 DFT 2ND AMD ANS/GG

11/27/2000 MONY SECURITIES CORP RESPO T PLT S.
SCOTT WEST & KIMBALA WEST

11/27/2000 REQ F DISCLOSURE/GG

01/31/2001 NOTC O DEPO O J.K. MCANDREWS

06/18/2001 MONY SECURITES CORP & MONY LIFE INS CO
CERTF O WRN DISCVY/GG

06/22/2001 MONY SECURITIES CORP & MONY LIFE INS CO
CERTF O WRN DISCVY

06/22/2001 MONY SECURITIES CORP & MONY LIFE INS CO
CERTF O WRN DISCVY

07/16/2001 RULE 11 AGRMNT/GG

07/16/2001 RULE 11 AGRMNT/GG

07/16/2001 RULE 11 AGRMNT/GG
 08/09/2001 RULE 11 AGRMNT/GG
 12/19/2001 PLAINTIFF 3RD AMEND ORIG PTN/AL
 01/10/2002 NOTC O CHNG O ADDR/GG
 01/23/2002 DFT ARTHUR ALLEN CERTF O WRTN
 DISCVY/GG
 01/23/2002 DFT ARTHUR ALLEN MTN F BIFURCATED TRIAL
 O EXEMPLARY DAMAGES
 03/04/2002 DFT MONY SECURITIES CORP MTN T COMPEL
 ARBITRATION O CERTAIN PLT
 03/04/2002 CLAIM & STAY CERTAIN PLT CLALIMS
 AGAINST MONY/GG
 03/07/2002 DFT ARTHUR ALLEN 1ST AMD ANS/GG
 03/07/2002 DFT ARTHUR ALLEN MTN F SUMM/JGMT
 AGAINST PLT & BRIEF I SPT
 03/07/2002 THEREOF/GG
 03/07/2002 CROSS-CLAIM: ARTHUR ALLEN
 03/13/2002 NOTC O HRG O DFT ARTHUR ALLEN MTN F
 SUMM/JGMT AGAINST PLT
 03/13/2002 SCOTT WEST & KIMBALA WEST
 03/13/2002 DFT ARTHUR ALLEN MTN F SUMM/JGMT
 AGAINST PLT SCOTT WEST &
 03/13/2002 KIMBALA WEST & BRIEF I SPT
 THEREOF
 03/15/2002 NOTC O HRG O DFT ARTHUR ALLEN MTN F
 SUMM/JGMT AGAINST PLTS
 03/22/2002 MONY SECURITIES CORP & MONY LIFE INS CO
 MTN F LEAVE T JOIN
 03/22/2002 WORLDHOME INDUST INC RESPO
 3RD PARTY UNDER TCPRC 33.004 OR
 03/22/2002 ALT T JOIN WORLDHOME AS 3RD
 PARTY DFT UNERT TRCP 38
 03/28/2002 NOTC O HRG/GG
 04/04/2002 NOTC O HRG/GG
 04/16/2002 MONY SECURITITES CORP & MONY LIFE INS CO
 SUPLMTL T MTN T LEAVE
 04/16/2002 T JOIN WORLDHOME INDUST INC A
 RESPOIBLE 3RD PARTY UNDER
 04/16/2002 TCPRC 33.004 OR ALT T JOIN
 WORLDHOME A 3RD PARTY DFT
 UNDER
 04/16/2002 TRCP 38/GG
 04/19/2002 APPENDIX O EVIDENCE I RESPO T ARTHUR
 ALLEN MTN F SUMM/JGMT

04/19/2002 PLT RESPO T DFT ARTHUR ALLEN MTN F
SUMM/JGMT

04/19/2002 PLT 1ST SUPLMTL PTN/GG

04/19/2002 AFDVIT O CORBET F BRYANT JR/GG

04/22/2002 PLT S. SCOTT WEST & KIMBALA WEST RESPO T
DFT ARTHUR ALLEN

04/22/2002 MTN F SUMM/JGMT/GG

04/23/2002 PLTS' RESPONSE TO MONY SECURITIES
CORP'S MTN TO COMPEL

04/23/2002 ARBITRATION/WALKED UP BY
RUNNER/JAU

04/23/2002 PLTS' BRIEF IN OPPOSITION TO MONY'S MTN
FOR LEAVE/WU BY RUNNER

04/24/2002 NOTC O HRG O DFT ARTHUR ALLEN AMD MTN F
SUMM/JGMT AGAINST

04/24/2002 PLT INCLUDING SCOTT WEST &
KIMBALA WEST

04/24/2002 DFT ARTHUR ALLEN 1ST AMD MTN F
SUMM/JGMT AGAINST PLT INCLUDING

04/24/2002 SCOTT W4EST & KIMBALA WEST &
BRIEF I SPT THEREOF

04/26/2002 DEFT MONY SECURITIES CORP. REPLY IN
SUPPORT OF ITS MTN TO

04/26/2002 COMPEL ARBITRATION OF CERTAIN
PL CLAIMS & TO STAY CERTAIN

04/26/2002 PL CLAIM'S AGAINST MONY

04/26/2002 APPENDIX OF EVIDENCE IN SUPPORT OF
RESPONSE TO MTN TO COMPEL

05/02/2002 REPTR CERTF VIDEOTAPED DEPO O LYNETTE
AULT

05/02/2002 REPTR CERTF VIDEOTAPED DEPO O S. SCOTT
WEST/GG

05/08/2002 ORD GRNTED DEFT MONY SECURITIES CORP. &
MONY LIFE INS. CO.

05/08/2002 MTN TO JOIN WORLDHOME
INDUSTRIES INC. AS A RESPONSIBLE

05/08/2002 THIRD PARTY 244/738-739

05/13/2002 MONY SECURITIES CORP & MONY LIFE INS CO
RESPO 3RD PARTY PTN/GG

05/13/2002 NOTC O FILING RULE 11 AGRMNT/GG

05/16/2002 PLT SCOTT WEST & KIMBALA WEST MTN F NON
SUIT DFT MONY LIFE INS

05/16/2002 CO W/OUT PREJUDICE

05/17/2002 NOTC O FILING RULE 11 AGRMNT/GG

05/17/2002 ORIGINAL ANSWER: WORLDHOME INDUSTRIES,
INC.

05/17/2002 T 3RD PRY PTN/LP

05/22/2002 APPENDIX O EVIDENCE I RESPO T ARTHUR
ALLEN 1ST AMD MTN F

05/22/2002 SUMM/JGMT/GG

05/22/2002 PLT RESPO T DFT ARTHUR ALLEN 1ST AMD
MTN F SUMM/JGMT/GG

05/23/2002 MONY SECURITES CORP & MONY LIFE INS CO
MTN F SEVERANCE O PLT &

05/23/2002 THEIR CLAIMS

05/23/2002 EXHIBIT I SPT O MONY SECURITIES CORP &
MONY LIFE INS CO MTN F

05/23/2002 SEVERANCE O PLT & THEIR CLAIMS

05/24/2002 NOTC O HRG/GG

05/28/2002 REPTR CERTF F DEPO O LYNETTE AULT/GG

05/29/2002 PLAINTIFF 1ST SUPPLEMENTAL PETITION

05/29/2002 DEFT ARTHUR ALLEN'S MTN FOR LEAVE TO
ADMIT DEPO EXHIBIT INTO

05/29/2002 EVIDENCE PURSUANT TO RULE 106
OF THE TX RULES OF EVIDENCE

06/12/2002 DFT ARTHUR ALLEN MTN F SEVERANCE O PLT
& THEIR CLAIMS

06/12/2002 NOTC O HRG O DFT ARTHUR ALLEN MTN F
SEVERANCE O PLT & THEIR

06/13/2002 CLAIMS

06/18/2002 PLT OBJT T MTN T SEVER FILED B MONY
SECURITIES CORP & ARTHUR

06/18/2002 ALLEN & BRIEF I SPT/GG

06/19/2002 DEFENDANT ARTHUR ALLEN'S SUPPLEMENTAL
TO HIS 1ST AMENDED

06/19/2002 ANSWER

06/19/2002 MONY SECURITIES CORP. & MONY LIFE INS.
CO.'S SUPPLEMENTAL

06/19/2002 TO THEIR MTN FOR SEVERANCE OF
PL & THEIR CLAIMS

06/19/2002 PLT 4TH AMD ORIG PTN/GG (FS)

06/27/2002 ORAL/VIDEOTAPED DEPO O HAROLD "MIKE"
GRIFFIN

06/27/2002 ORAL/VIDEOTAPED DEPO O HOWARD
DUCKWORTH

06/27/2002 ORAL/VIDEOTAPED DEPO O MICHELLE
DUCKWORTH

06/27/2002 ORAL/VIDEOTAPED DEPO O LELAND CHVATAL
06/27/2002 ORAL/VIDEOTAPED DEPO O BERNARD
ROSS/GG
06/27/2002 ORAL/VIDEOTAPED DEPO O JAN HENSON/GG
07/11/2002 MONY SECURITIES CORP MTN F PARTIAL
SUMM/JGMT & BRIEF I SPT
07/17/2002 NOTC O HRG/GG
07/18/2002 ORAL & VIDEOTAPED DEPO O MARK DICK/GG
07/18/2002 ORAL/VIDEOTAPED DEPO O STACYE DICK
08/06/2002 NOTC O HRG O DFT ARTHUR ALLEN 2ND MTN F
PARTIAL SUMM/JGMT
08/06/2002 AGAINST CERTAIN PLT/GG
08/06/2002 DFT ARTHUR ALLEN 2ND MTN F PARTIAL
SUMM/JGMT AGAINST CERTAIN
08/06/2002 PLT & BRIEF I SPT THEREOF/GG
08/08/2002 REPTR CERTF DEPO O BART COOK/GG
08/08/2002 REPTR CERTF DEPO O LESLEE O'NEAL/GG
08/08/2002 REPTR CERTF DEPO O JAMES DAVIS/GG
08/08/2002 REPTR CERTF DEPO O JOHNNY O;NEAL SR/GG
08/08/2002 REPTR CERTF DEPO O REBECCA KAY
O'NEAL/GG
08/08/2002 REPTR CERTF DEPO O JOHNNY O'NEAL JR./GG
08/08/2002 REPTR CERTF DEPO O BORDEN JENKINS/GG
08/08/2002 REPTR CERTF DEPO O BRUCE MC
FARLAND /GG
08/08/2002 REPTR CERTF DEPO O JEANNE MCMAHON/GG
08/08/2002 REPTR CERTF DEPO O KEVIN MCMAHON/GG
08/08/2002 REPTR CERTF DEPO O JOSUE RODRIGUEZ/GG
08/08/2002 REPTR CERTF DEPO O CHARLES K. MILLER/GG
08/08/2002 REPTR CERTF DEPO O GERALD ZENGERLE/GG
08/08/2002 REPTR CERTF DEPO O DANIEL ZENGERLE/GG
08/08/2002 REPTR CERTF DEPO O CLAIRE ZENGERLE/GG
08/08/2002 REPTR CERTF DEPO O SUZANNE SMITH/GG
08/08/2002 REPTR CERTF DEPO O JERRY SMITH/GG
08/08/2002 REPTR CERTF DEPO O JANIE GREEN/GG
08/08/2002 REPTR CERTF DEPO O JOE CRUSE/GG
08/08/2002 REPTR CERTF DEPO O JEFF MYKLEBUST/GG
08/08/2002 REPTR CERTF DEPO O NANCY CRUSE/GG
08/14/2002 ORAL/VIDEOTAPED DEPO O COLVIN SMITH/GG
08/14/2002 ORAL/VIDEOTAPED DEPO O JAMES
CHVATAL/GG
08/14/2002 ORAL/VIDEOTAPED DEPO O JACKSON B

HENSON/GG

08/26/2002 ORAL/VIDEO DEPO O REBECCA L SILVA/GG

08/26/2002 ORAL/VIDEO DEPO O GREGORY F SILVA /GG

08/28/2002 PLT RESPO T DFT ARTHUR ALLEN 2ND MTN F
PARTIAL SUMM/JGMT/GG

08/28/2002 SUPLMTL APPENDEX O EVIDENCE I RESPO T
ARTHUR ALLEN 2ND MTN F

08/28/2002 SUMM/JGMT/GG

09/04/2002 DEFT ART ALLEN'S OBJECTIONS TO PL MTN
FOR SUM JUDG EVIDENCE

09/04/2002 AND MTN TO STRIKE

09/04/2002 PL MTN TO DISMISS DEFT MONY SECURITIES
CORP.

09/13/2002 PLT 5TH AMD ORIG PTN/GG (FS)

09/17/2002 RULE 11 AGRMNT/GG

09/27/2002 LTR T JUDGE JACK HUNTER

10/08/2002 REPTR CERTF DEPO O HOWARD HOLT/GG

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CI0004498000C

Cause Number: **0004498000-C**Date Filed: **08/14/2000**Case Status: **Pending**Date Disposed: **//0**Cause of Action: **OTHER CIVIL CAUSES****Docket Entries**

Date of Entry	Entry
09/18/2000	ORD ON MTN FOR SUBST COUNSEL 75/762
09/18/2000	DEFT MARK KEMP'S UNOPPOSED MTN FOR SUBST COUNSEL 75/762
09/20/2000	NOTC OF NONSUIT BY PLAINTIFF EDWARD SANCHEX, CLEMENTE SANCHEZ
09/20/2000	& JOHN DAVID SANCHEZ AGAINST DEFTS 75/818-819
06/19/2001	DISCVY CONTROL PLAN & SCHEDULING ORD LEVEL THREE CASES
06/19/2001	JURY TRIAL SET ON OCT. 7, 2002 AT 9:15AM 152/326-327
07/31/2001	AGRD DISCVY SCHEDULING ORD 164/980-983
01/24/2002	ORD GRNTED DEFENDANT ARTHUR ALLEN'S MOTION FOR BIFURACTED
01/24/2002	TRIAL ON EXEMPLARY DAMAGES 212/539-540
04/26/2002	ORD ON DEFT MONY SECURITIES CORP. MTN TO COMPEL ARBITRATION
04/26/2002	242/660
05/08/2002	ORDER GRANTING DEFTS MONY SECURITIES CORP. & MONY LIFE
05/08/2002	INS. CO. MTN TO JOIN WORLDHOME INDUSTRIES INC. AS A
05/08/2002	RESPONSIBLE THIRD PARTY 244/738-739
05/17/2002	NONSUIT ORDER AS TO DEFT MONY LIFE INS. CO. FORMERLY
05/17/2002	KNOWN AS MUTUAL LIFE INS. CO. OF NEW YORK 248/98-99
05/29/2002	ORD GRNTED DEFT ARTHUR ALLENS' MTN FOR LEAVE TO ADMIT DEPO
05/29/2002	EXHIBIT INTO EVIDENCE PURSUANT TO RULE 106 OF THE TX RULES

05/29/2002	OF EVIDENCE 249/733-734
06/05/2002	INTERLOCUTORY SUMMARY JUDGMENT 252/993-1001
07/25/2002	DOCKET CONTROL ORDER SET FOR TRIAL ON 3/3/03 AT 9:15AM 268/620
07/25/2002	ORD ON MTN TO SEVER 268/621-623
09/04/2002	ORD OF DISMISSAL AS TO PL AGAINST DEFT MONEY SECURITIES
09/04/2002	CORP. 279/292-294
09/09/2002	NOTC OF NONSUIT OF CROSS-CLAIMS AGAINST DEFTS MONEY SECURITIES
09/09/2002	CORP. & MONEY LIFE INS. CO. 281/350-353
09/26/2002	AGRD ORD RESETTING TRIAL 290/60-62
10/24/2002	AGRD JUDG AGAINST CHRISTOPHER FELCH 296/949-952
10/25/2002	ORD OF DISMISSAL AS TO DEFTS ARTHUR ALLEN, MARK BOWER, &
10/25/2002	MARK KEMP 296/947-948

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EXHIBIT "J"

**NUECES, COUNTY OF
VS**

**BOWER, MARK T ETAL
CASE NO. 9905232000
FILED 9/28/1999**

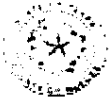


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Number	Last, First Name	Cause #
1	BOWER, MARK	9806029000
2	BOWER, MARK	0004498000
3	BOWER, MARK T.	9905232000

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CI9905232000G

Cause Number: **9905232000-G**

Date Filed: **09/28/1999**

Case Status: **Disposed**

Date Disposed: **07/21/2000**



Cause of Action: **DELINQUENT TAXES**

NUECES, COUNTY OF
vs. BOWER, MARK T., ET AL

Num.	Litigant	Def/Pln	Lit. Seq. #
1	NUECES, COUNTY OF	Plaintiff	0001
2	MARK T. BOWER	Defendant	5002
3	ANNETTE A. BOWER	Defendant	5003

Documents Filed

Docket Entries

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019905232000G

Cause Number: **9905232000-G**

Date Filed: **09/28/1999**

Case Status: **Disposed**

Date Disposed: **07/21/2000**

Cause of Action: **DELINQUENT TAXES**



Documents Filed

Date Filed	Entry
09/28/1999	ORIGINAL PETITION FILED
10/04/1999	CITATION (CN1): MARK T. BOWER
10/04/1999	SERVED: UNSERVED FILED: 10/12/1999
10/04/1999	CITATION (CN1): ANNETTE A. BOWER
10/04/1999	SERVED: 10/06/1999 FILED: 10/07/1999
04/05/2000	(COPY) 2ND NTC TO MR & MRS MARK T. BOWER RE: CRT CST DUE /AS
07/18/2000	NTC OR PRTL NON-SUIT AS TO MARK T. BOWER /AS
07/18/2000	CERT OF LST KWN MAIL ADRES /AS
05/07/2003	(COPY) LTR TO ANNETTE A. BOWER FRM ELVA VELA GALVAN RE: CRT CST

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CI9905232000G

Cause Number: **9905232000-G**

Date Filed: **09/28/1999**
Date Disposed: **07/21/2000**



Case Status: **Disposed**

Cause of Action: **DELINQUENT TAXES**

Docket Entries

Date of Entry	Entry
07/18/2000	NOTICE OF PARTIAL NON-SUIT TO MARK T. BOWER 59/491
07/21/2000	FINAL JUDGMENT - NO JURY CV 0059 P 0494-0494

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EXHIBIT "K"

**AMERICAN EXPRESS TRAVEL RELATED SERVICES CO
VS**

**BOWER, MARK T
CASE NO. 986073000
FILED 10/06/1999**



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Number	Last, First Name	Cause #
①	BOWER, MARK	9860703000
2	BOWER, MARK T.	9961679000

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CI99616790004

Cause Number: **9961679000-4**

Case Status: **Disposed**

Cause of Action: **ACCOUNTS,
CONTRACTS, NOTES**

Date Filed: **10/06/1999**

Date Disposed: **10/19/2000**



**AMERICAN EXPRESS TRAVEL RELATED SERVICES CO., INC.
vs. BOWER, MARK T.**

Num.	Litigant	Def/Pln	Lit. Seq. #
1	AMERICAN EXPRESS TRAVEL RELATED SVC. CO.	Plaintiff	0001
2	MARK T. BOWER	Defendant	5002

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Docket Entries

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C199616790004

Cause Number: **9961679000-4**

Case Status: **Disposed**

Cause of Action: **ACCOUNTS,
CONTRACTS, NOTES**

Date Filed: **10/06/1999**

Date Disposed:
10/19/2000



Documents Filed

Date Filed	Entry
10/06/1999	INFO SHEET F SVC REQ/NDT
10/06/1999	ORIGINAL PETITION FILED
10/21/1999	CIVIL CASE INFO SHEET/CZ
10/22/1999	CITATION (CN2): MARK T. BOWER
10/22/1999	SERVED: UNSERVED FILED: 11/01/1999
09/27/2000	RTN NOTC O SETTING F DISMISS/GG
12/08/2000	RTN NOTC O JGMT/GG
03/24/2003	NTC O DWOP 4/17/03 AT 9:30AM/LG

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CI99616790004

Cause Number: **9961679000-4**

Case Status: **Disposed**

Cause of Action: **ACCOUNTS,
CONTRACTS, NOTES**

Date Filed: **10/06/1999**

Date Disposed:
10/19/2000



Docket Entries

Date of Entry	Entry
10/19/2000	D.W.O.P. CV 0034 P 0288-0295
04/17/2003	DWOP 67/277-283

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EXHIBIT "L"

**HOLT, HOWARD ETAL
VS
BOWER, MARK T ETAL
CASE NO. 996179000
FILED 4/13/1998**



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Number	Last, First Name	Cause #
1	BOWER, MARK	9860703000
(2)	BOWER, MARK T.	9961679000

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C198607030004

Cause Number: **9860703000-4**
 Case Status: **Disposed**
 Cause of Action: **ACCOUNTS,
 CONTRACTS, NOTES**

Date Filed: **04/13/1998**
 Date Disposed: **11/15/1999**



HOLT, HOWARD, ET AL
 vs. BOWER, MARK, ET AL

Num.	Litigant	Def/PIn	Lit. Seq. #
1	HOWARD HOLT	Plaintiff	0001
2	MARK BOWER	Defendant	5002
3	MARK KEMP	Defendant	5003
4	WORLDHOME INDUSTRIES, INC.	Defendant	5004

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C198807030004

Cause Number: **9860703000-4**
 Case Status: **Disposed**
 Cause of Action: **ACCOUNTS,
 CONTRACTS, NOTES**

Date Filed: **04/13/1998**

Date Disposed: **11/15/1999**



Documents Filed

Date Filed	Entry
04/13/1998	SVC INFO SHEET
04/13/1998	ORIGINAL PETITION FILED
04/15/1998	CITATION (CM): MARK BOWER
04/15/1998	SERVED: 04/21/98 FILED: 04/23/98
04/15/1998	CITATION (CM): MARK KEMP
04/15/1998	SERVED: 04/23/98 FILED: 04/24/98
04/15/1998	CITATION (CM): WORLDHOME INDUSTRIES, INC.
04/15/1998	SERVED: 04/20/98 FILED: 04/22/98
05/11/1998	GENERAL DENIAL/MARK BOWER & WORLDHOME INDUSTRIES, INC./PGG
06/02/1998	MTN T DISMISS MARK KEMP & WORLDHOME INDU INC/GG
11/18/1998	TRANSFERRED FROM COURT AT LAW NO. 3
11/18/1998	TRANSFERRED FROM COURT AT LAW NO. 4

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C198607030004

Cause Number: **9860703000-4**

Case Status: **Disposed**

Cause of Action: **ACCOUNTS,
CONTRACTS, NOTES**

Date Filed: **04/13/1998**

Date Disposed:
11/15/1999



Docket Entries

Date of Entry	Entry
06/09/1998	ORD DISMISSING MARK KEMP AND WORLDHOME(ONLY) 09/938
11/15/1999	D.W.O.P. CV 0021 P 0140-0146

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EXHIBIT "M"

**LARFEL, INC
CHARTER NO. 1447362-0
FORMED MAY 27, 1997**

1 3 3 5 1 2 1 1

ARTICLES OF INCORPORATION

OF

LarFel, Inc.

FILED
in the Office of the
Secretary of State of Texas

MAY 27 1997

Corporations Section

I, the undersigned natural person over the age of eighteen (18) years or more acting as incorporator of a Corporation under the Texas Business Corporation Act, do hereby adopt the following Articles of Incorporation for such Corporation.

ARTICLE ONE
NAME OF CORPORATION

The name of the Corporation is LarFel, Inc.

ARTICLE TWO
DURATION

The period of its duration is perpetual.

ARTICLE THREE
PURPOSES

The purpose for which the Corporation is organized is the conduct of any or all lawful business for which corporations may be incorporated under the Texas Business Corporation Act.

ARTICLE FOUR
SHARE STRUCTURE - VOTING AND NONVOTING SHARES

The corporation is authorized to issue two classes of shares to be designated as "voting common" and "nonvoting common." The total number of shares that the corporation is authorized to issue is two thousand (2,000) The total number of voting common shares authorized is one thousand with a par value of One Dollar (\$1.00) each. The total number of nonvoting common shares authorized is one thousand (1,000) with a par value of One Dollar (\$1.00) each.

ARTICLE FIVE
ISSUANCE OF SHARES

The Corporation will not commence business until it has received for the issuance of its shares consideration of the value of One Thousand Dollars (\$1,000.00), consisting of money, labor done or property actually received

ARTICLE SIX
REGISTERED AGENT AND OFFICE FOR SERVICE OF PROCESS

The name of its initial registered agent is Mark T Bower, CPA, 555 N. Carancahua, Corpus Christi, Texas 78401

ARTICLE SEVEN
INITIAL BOARD OF DIRECTORS

The number of Directors constituting the initial Board of Directors is one (1) and the name and address of the person who is to serve as the initial director of the Corporation until the first annual meeting of the shareholders or until his successors are elected and qualified is:

Mark Bower, CPA
555 N Carancahua, Suite 903
Corpus Christi, Texas 78401

The number of Directors constituting subsequent Boards of Directors shall be fixed by the Bylaws of the Corporation

ARTICLE NINE
PREEMPTIVE RIGHTS

The shareholders of this Corporation shall have preemptive rights to subscribe to and to acquire unissued or treasury shares of the Corporation which may be issued from time to time and all such rights are hereby expressly preserved.

ARTICLE TEN
CUMULATIVE VOTING

Cumulative voting of shares in the election of Directors of this Corporation is hereby expressly prohibited. At each election for Directors of this Corporation, every shareholder entitled to vote at such election shall have the right to vote, in person or by proxy, the number of shares owned by him for each of as many persons as there are Directors to be elected and for whose election he has a right to vote

ARTICLE ELEVEN
SHAREHOLDER VOTING

A simple, bare majority vote is sufficient for any action which requires the vote or concurrence of shareholders, including, but not limited to, action with respect to a proposed amendment of these Articles of Incorporation, merger, consolidation, dissolution, or sale or other disposition of all (or substantially all) of the assets of the Corporation. This provision shall

override all shareholder voting requirements specified by the Texas Business Corporation Act that require the vote or concurrence of a greater number of shares with respect to any action.

ARTICLE TWELVE
DIRECTOR LIABILITY

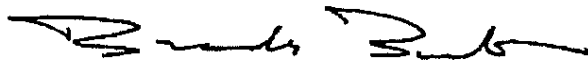
A director of the Corporation shall not be personally liable to the Corporation or its shareholders for monetary damages for any act or omission in his capacity as a director, except to the extent otherwise expressly provided by a statute of the State of Texas. Any repeal or modification of this Article shall be prospective only, and shall not adversely affect any limitation of the personal liability of a director of the Corporation existing at the time of the repeal or modification; provided, however, that in the event that the Texas Miscellaneous Corporation Laws Act (the "TMCLA") or the Texas Business Corporation Act (the "TBCA") is amended after the effective date of these Articles so as to authorize corporate action further eliminating or limiting the liability of directors, the liability of a director of the Corporation shall thereupon be eliminated or limited to the fullest extent permitted by the TMCLA or the TBCA, as so amended from time to time. The provisions of this Article shall not be deemed to limit or preclude indemnification of a director by the Corporation for any liability of a director which has not been eliminated or limited by the provisions of this Article.

ARTICLE THIRTEEN
INCORPORATOR

The name and address of the incorporator is.

Bradley Bunting, Esq
DOBBS & BUNTING, P C.
321 Texan Trail, Suite 200
Corpus Christi, Texas 78411

DATED and EXECUTED the 21st day of May, 1997

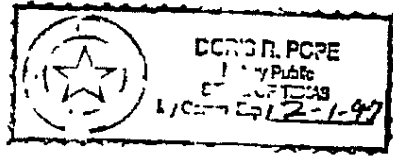


BRADLEY BUNTING
Incorporator

THE STATE OF TEXAS §

COUNTY OF NUECES §

I, a Notary Public, do hereby certify that on this 21st day of May, 1997, personally appeared before me **Bradley Bunting**, who being by me first duly sworn, declared that he is the person who signed the foregoing document as incorporator, and that the statements therein contained are true



Donald R. Pope
NOTARY PUBLIC, STATE OF TEXAS

1 0 ? ' 1 3 0 1 2

FILED
in the Office of the
Secretary of State of Texas
JUL 11 1997
Corporations Section

ARTICLES OF CORRECTION

The undersigned submits these articles pursuant to Texas Civil Statutes article 1302.7.001 to correct a document which is an inaccurate record of the entity action, contains an inaccurate or erroneous statement, or was defectively or erroneously executed, sealed acknowledged, or verified.

ARTICLE ONE

The name of the entity is LarFel, Inc.

ARTICLE TWO

The document to be corrected is the ARTICLES OF INCORPORATION of LarFel, Inc., which was filed in the Office of the Secretary of State on the 27th day of May, 1997.

ARTICLE THREE

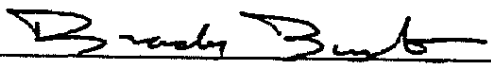
The inaccuracies, errors or defects to be corrected are: Article Four, Share Structure - Voting and Nonvoting number of authorized shares and the par value of the shares.

ARTICLE FOUR

As corrected, the inaccurate, erroneous, or defective portion of the document reads as follows:

The corporation is authorized to issue two classes of shares to be designated as "voting common" and "nonvoting common." The total number of shares that the corporation is authorized to issue is two hundred thousand (200,000). The total number of voting common shares authorized is one hundred thousand (100,000) with a par value of ten cents (\$0.10) each. The total number of nonvoting common share authorized is one hundred thousand (100,000) with a par value of ten cents (\$0 10) each

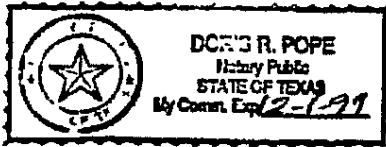
DATED and EXECUTED the 9th day of July, 1997.


BRADLEY BUNTING
Incorporator
Acting Secretary

THE STATE OF TEXAS §

COUNTY OF NUECES §

I, a Notary Public, do hereby certify that on this 9th day of July, 1997, personally appeared before me **Bradley Bunting**, who being by me first duly sworn, declared that he is the person who signed the foregoing document as incorporator, and that the statements therein contained are true.



Doris R. Pope
NOTARY PUBLIC, STATE OF TEXAS



The State of Texas
Secretary of State

SECRETARY OF STATE
AUSTIN, TEXAS

DETERMINATION OF FORFEITURE PURSUANT TO SECTION 171.309, TEXAS
TAX CODE ANNOTATED

CAME TO BE CONSIDERED ON THE DATE SHOWN HEREON, FORFEITURE
OF THE CHARTER OR CERTIFICATE OF AUTHORITY OF THE
FOLLOWING CORPORATION; THE SECRETARY OF STATE FINDS AND
DETERMINES THE FOLLOWING:

CORPORATION NAME

LARFEL, INC.

CHARTER NO.-TYPE	RTDB FORFEITED	CERTIFICATE/CHARTER FORFEITED
1447362-00	12/15/1998	08/20/1999

THAT THE COMPTROLLER OF PUBLIC ACCOUNTS HAS NOTIFIED THIS
OFFICE THAT SAID CORPORATION HAS FAILED TO FILE A CURRENT
YEAR FRANCHISE TAX REPORT TO ESTABLISH THE EXISTENCE OF
ASSETS FROM WHICH A JUDGEMENT FOR THE FRANCHISE TAXES,
PENALTIES AND COURT COSTS MAY BE SATISFIED.
THAT THE COMPTROLLER OF PUBLIC ACCOUNTS HAS FURTHER STATED
THAT THE SAID CORPORATION HAS FAILED OR REFUSED TO REVIVE
ITS RIGHT TO DO BUSINESS.

IT IS THEREFORE ORDERED THAT THE CHARTER OR CERTIFICATE OF
AUTHORITY OF THE ABOVE NAMED CORPORATION BE AND THE SAME IS
HEREBY FORFEITED WITHOUT JUDICIAL ASCERTAINMENT AND MADE
NULL AND VOID, AND THAT THE PROPER ENTRY BE MADE UPON THE
PERMANENT FILES AND RECORDS OF SUCH CORPORATION TO SHOW
SUCH FORFEITURE AS OF THE DATE HEREOF.

11-11-1999 10:11 AM



PUBLIC INFORMATION REPORT (PIR) NOTIFICATION

Prior to tax year 2002 copies of Public Information Reports may not have been retained by the Secretary of State of Texas. If you have received this notification in place of a listed report prior to that date you must contact the Comptroller of Public Accounts at (512) 463-4600 to request copies of the record.



Corporation Search Results

Franchise Tax Certification of Account Status

This Certification Not Sufficient for Filings with Secretary of State

Do **not** include a certification from this Web site as part of a filing with the Secretary of State for dissolution, merger, withdrawal, or conversion. The Secretary of State will reject a filing that uses the certification from this site.

To obtain a certificate that is sufficient for dissolution, merger, or conversion, see Publication 98-336d, Requirements to Dissolve, Merge or Convert a Texas Entity.

Certification of Account Status	Officers And Directors Information
Company Information:	LARFEL INC 555 N CARANCAHUA ST CORPUS CHRISTI, TX 78478-0002
Status:	NOT IN GOOD STANDING
Registered Agent:	MARK T BOWER 555 N. CARANCAHUA CORPUS CHRISTI, TX 78401
Registered Agent Resignation Date:	
State of Incorporation:	TX
File Number:	0144736200
Charter/COA Date:	May 27, 1997
Charter/COA Type:	Charter
Taxpayer Number:	30119818414

Carole Keeton Strayhorn
Texas Comptroller of Public Accounts

Window on State Government
Contact Us
Privacy and Security Policy

EXHIBIT "N"

**RESUME OF MARK T. BOWER, CPA
ON FILE WITH TDHCA**

MARK T. BOWER, CPA

6110 Coralridge Drive • Corpus Christi, Texas 78413

Home: (361) 225-0793
marktbower@aol.com

Fax: (361) 225-0761
Cell: (361) 779-1974

EDUCATION

East Texas State University - Commerce, Texas

MBA (Concentration in Finance), 1989

SERVED AS REPRESENTATIVE OF EAST TEXAS STATE UNIVERSITY TO THE FINANCIAL EXECUTIVES INSTITUTE (1990)
RECOGNIZED AS THE MOST OUTSTANDING MBA STUDENT IN THE AREA OF FINANCE WITHIN SIX NORTHERN TEXAS SCHOOLS

Baylor University - Waco, Texas

BBA (Accounting Major), 1984

PROFESSIONAL EXPERIENCE

CYNOSURE DEVELOPERS, LLC - Corpus Christi, Texas

2004 - present

CHIEF EXECUTIVE OFFICER, SECRETARY/TREASURER

Cynosure Developers, LLC was formed in 2004 to develop high quality multifamily housing communities targeted to the affordable housing market. The typical tenant we will serve are those people that make 50% to 60% of the area's median income. In the Houston MSA, where the median income is \$61,000, this means we are targeting people who earn from \$30,000 to \$36,600. These are teachers, police and fire department employees, retail employees, etc. These families desire quality, secure neighborhoods with great amenities and proximity to community services. Because we will utilize the government's private activity bond programs and federal income tax credits, we will be able to provide this quality housing at rates somewhat less than market rents.

Cynosure Developers is owned equally by Mark Bower and Daniel Sereni who both bring significant and different expertise to the company. Mark has the financial background and experience with these particular types of projects. Dan has the development and construction background. Together they have the skills and resources needed to create these communities. They are long term investors, looking to create neighborhoods that will serve the local community for many years.

RUIZ ENGINEERING - Tucson, Arizona

2003 - 2004

CHIEF FINANCIAL OFFICER

A company that develops and owns high quality multifamily housing communities in the Phoenix Area. Ruiz Engineering has eleven apartment communities, representing 3,500 units, in all stages of development and stabilization - from communities that were starting development after receiving a bond allocation to communities that have been fully stabilized for many years. They have their own general contracting company and property management company. During the time he was with Ruiz Engineering, they had projects in the beginning, middle and end of construction. They had four projects go through the application process and receive bond allocations. They had projects going through lease-up and projects which were fully stabilized. They went through a complete change in property management and in their information reporting system. As Chief Financial Officer, Mark was intimately involved in every aspect of the company.

VALLEY EAR, NOSE & THROAT SPECIALISTS, PA - McAllen, Texas

1999 - 2003

ADMINISTRATOR AND IN-HOUSE CPA

A physician practice specializing in otorhinolaryngology, with six offices, eight physicians and over eighty employees.

- Reorganized the collection and billing departments which increased practice collections by over 30% (\$150,000) per month.
- Guided the practice through three years of high growth: growing from three to six offices, from six to eight physicians, and from forty-five to more than eighty employees. Designed and monitored capital budgets and working capital strategies to encompass management of accounts receivable, collection procedures, cash flow, banking relationships, and expenses.

MARK T. BOWER, CPA - Corpus Christi, Texas

1990 - 1999

HEALTHCARE INDUSTRY CONSULTANT

A healthcare consulting firm specializing in increasing the net income of physician practices through the provision of practice management and managed care strategy services, and on-site practice administration.

- Served as Consultant to more than 225 physicians in over 100 practices, providing a variation of services

based on their individual needs. Conducted comprehensive financial and operational evaluations of more than 80 physician practices (representing \$150+ million in billings), including the analysis of managed care contracts, employment contracts, fee schedules, coding practices, collection policies, returned claims processing, patient statements, remittance advices, payer mix strategies, bookkeeping methods, office staff functions, software, OSHA/CLIA compliance, and impact of RBRVS. Restructured or implemented modifications to existing systems to positively impact efficiency, effectiveness, and net revenue growth.

BOORHEM-FIELDS, INC. - Paris, Texas

1987 - 1990

FINANCE, ACCOUNTING, AND ADMINISTRATION MANAGER

A company that quarried (limestone and sandstone), surface mined (sand and gravel), sold, and transported aggregate product to customers; approximately \$23 million in assets and \$32 million in annual revenues.

- Designed and monitored capital budgets and working capital strategies to encompass management of accounts receivable, credit policies, collection procedures, cash flow, banking relationships, inventory, and expenses; authorized expenditures with a focus on long-range objectives.
- Directed daily accounting functions and compliance with federal, state, and local tax reporting requirements; investigated and resolved financial discrepancies and budget variances.
- Oversaw the activities and performance of the Controller and accounting/administrative personnel.
- Supervised the automation of multiple locations to effectively eliminate the keyed entry of more than 200,000 sales tickets per year.

COOPERS & LYBRAND - Dallas, Texas

1984 - 1987

TAX SPECIALIST / AUDIT SENIOR: EMERGING BUSINESS SERVICES OFFICE

An internationally renowned accounting firm providing a vast array of accounting, financial, and consulting services to leading businesses worldwide.

- Worked in close collaboration with officers within the healthcare, banking, retail, computer, manufacturing, agricultural, ranching, governmental, and oil and gas industries to provide expertise and services related to audit and tax issues and reporting requirements.
- Planned and performed an average of 20 audit engagements annually.
- One of the fastest promoted staff members within the Dallas office.

PROFESSIONAL AFFILIATIONS - COMMUNITY SERVICE

AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
TEXAS SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS, RIO GRANDE VALLEY CHAPTER

ROBBINS RESEARCH INTERNATIONAL, INC.
Member of the Trainer Group
Volunteers in the RRI Leadership Program as Trainer (Group Leader/Team Builder)

Past Associations

ASSOCIATION OF OTOLARYNGOLOGY ADMINISTRATORS (REGIONAL COORDINATOR: 2002)
MEDICAL GROUP MANAGEMENT ASSOCIATION
CPA HEALTHCARE NETWORK (1995-1998)
SOCIETY OF MEDICAL AND DENTAL CONSULTANTS (1994-1997, REGIONAL DIRECTOR: 1997)
TEXAS MEDICAL ADVISORY GROUP (1990-1994)

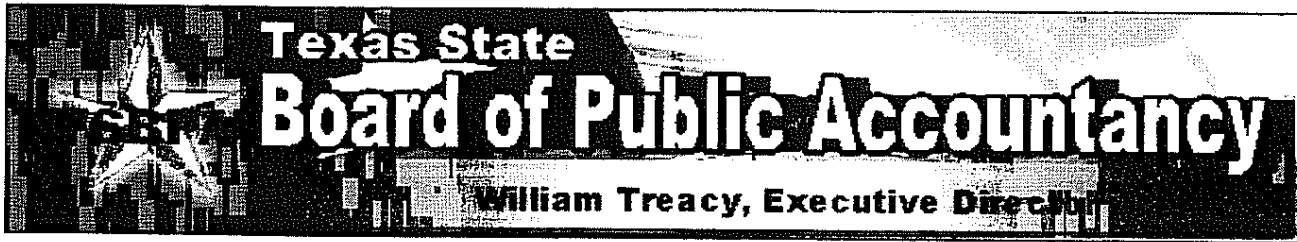
GREATER PARIS ROTARY CLUB (1988-1993)
Paul Harris Fellow, President: 1992-1993, Secretary/Treasurer: 1990-1991
Community Service Director: 1989-1990, Exchange Student Host Family: 1989-1990

BOY SCOUTS OF AMERICA, NETSEO TRAILS COUNCIL (1990-1992)
Vice President of Administration: 1992, Vice President of Programs: 1991
Executive Board Member: 1990-1992, Scouting For Food Chairman: 1990

LEADERSHIP LAMAR COUNTY (1992)
GREATER PARIS CIVIC CENTER STEERING COMMITTEE (1991)

EXHIBIT "O"

**TEXAS STATE BOARD
OF
PUBLIC ACCOUNTANCY
MARK TODD BOWER, CPA
LICENSE ID 042088**



Search the DataBase

Search for a Sponsor of C.P.E.

Search for a Licensed Firm | Search for a Licensed Individual

BOWER, MARK, TODD - License ID 042088 (Control No 0042088)
Current License Status

Gender

MALE

Mailing address and phone number most recently reported

1400 OCEAN DR 201A
CORPUS CHRISTI TX 78404
(361)980-1220

Date certified/registered

09/09/1986

License expiration date

05/31/2006

License status

Issued

Employment area(s) most recently reported

Full time

STATE GOVERNMENT

Part time

NONE REPORTED

Firms in which the individual has ownership

History of disciplinary actions

NO DISCIPLINARY HISTORY

[Back](#)



Texas State Board Of Public Accountancy
333 Guadalupe, Tower III, Suite 900
Austin, Texas 78701-3900

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EXHIBIT "P"

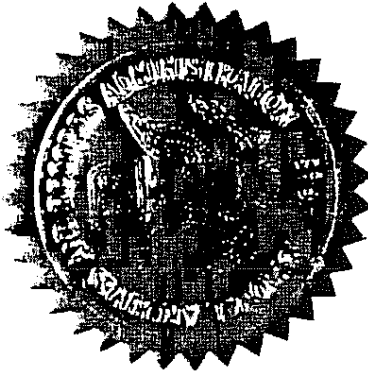
**IN RE DANIEL ROBERT SERENI
UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS (MCALLEN)
DBA BAY AREA CONTRACTORS
A GENERAL PARTNERSHIP
DBA PACIFIC COAST BUILDERS
A GENERAL PARTNERSHIP**

**CASE NO. 91-21594-C-7
FILED 8/08/1991**

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION

To all to whom these presents shall come. Greeting:

By virtue of the authority vested in me by the Archivist of the United States, I certify on his behalf, under the seal of the National Archives and Records Administration, that the attached reproduction(s) is a true and correct copy of documents in his custody.



SIGNATURE <i>Luila Gore</i>	
NAME <i>Luila Gore</i>	DATE <i>9-19-05</i>
TITLE <i>Regional Director</i>	
NAME AND ADDRESS OF DEPOSITORY Office of Regional Records Services Southwest Region 501 W. Felix St., Bldg. 1 Fort Worth, TX 76113	

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS

IN RE: DANIEL ROBERT SERINI
DEBTOR(S) § CASE NO. 91-21594-C-7
§ NO ASSET REPORT;
§ REPORT OF ABANDONMENT

NO-ASSET REPORT

The undersigned trustee reports to the Court that the Section 341 Meeting of Creditors was NOT HELD; CASE DISMISSED that s/he has neither received any property nor paid any money on account of this estate; that s/he has made a diligent inquiry into the whereabouts of property belonging to the estate; and that there is no property available for distribution from the estate.

The undersigned trustee certifies that on this date, the original and three (3) copies of this report were mailed to the United States Trustee for review, and a copy was mailed to the debtor(s) and to the attorney for the debtor(s).


REPORT OF ABANDONMENT

Pursuant to Bankruptcy Local Rule 6001(A), the undersigned trustee reports the abandonment of the following property (if real property, give legal description)

ALL SCHEDULED PROPERTY OF THE DEBTOR

The trustee is satisfied that the above-described property has a value to the estate of \$2500.00 or less because:

Dated: Feb 3, 1992


J. CHRISTOPHER
P.O. Box 6058
Corpus Christi TX 78466

CERTIFICATE OF REVIEW

The United States Trustee has reviewed and approved the foregoing report for compliance with Title 11

UNITED STATES TRUSTEE
Region 7

Dated: 2/3/92

By: Adam East
Bankruptcy Analyst

U.S. Bankruptcy Court
Southern District of Texas (McAllen)

Bankruptcy Petition #: 91-21594

Date filed: 8/8/91
Assigned to: Richard S. Schmidt
Chapter 7 voluntary

===== * Attorneys *

DANIEL ROBERT SERENI
dba
Bay Area Contractors, a gen.
partnership
dba
Pacific Coast Builders, a
general partnership
Route 4, Box 851A
Edinburg, TX 78539
SSN: 569-82-8231
Tax ID: 68-0140535
* Debtor *

Kelly K McKinnis
-
1630 North 10th
McAllen, TX 78501
(512) 686-7039

JAY C. JONES
P.O. Box 6058
Corpus Christi, TX 78466
* Trustee *

JAY C. JONES
P.O. Box 6058
Corpus Christi, TX 78466
* Trustee *

INTERNAL USE ONLY: Events between 1/1/1 and 2/19/92.

8/8/91 1 Voluntary Petition missing documents: Schedules A - J;
Statement of Financial Affairs Debtors Statement Of Intent
Disclosure of Atty Compensation Due on 8/23/91 Mailing Cards
Due 8/19/91. (Filing Fee \$ 120.00, Receipt # 102235) (jb)
[EOD 08/09/91]

8/8/91 2 Notice of No Mailing Cards ; Mailing Cards Due 8/19/91 (jb)
[EOD 08/09/91]

8/8/91 -- Application Filed By Kelly K McKinnis for Debtor Daniel
Robert Sereni for Allowance of Attorney's Fees and
Disclosure Statement (jb) [EOD 08/09/91]

INTERNAL USE ONLY: Events between 1/1/1 and 2/19/92.
91-21594 In re: Daniel Robert Sereni

8/8/91 3 Application Filed By Kelly K McKinnis for Debtor Daniel Robert Sereni for Allowance of Attorney's Fees and Disclosure Statement (jb) [EOD 08/09/91]

8/9/91 4 Notice of Appointment of Trustee, Jay Jones (jb) [EOD 08/09/91]

8/14/91 5 Order Granting [3-1] Application for Allowance of Attorney's Fees and Disclosure Statement by Kelly K McKinnis . Parties Notified. (gc) [EOD 08/14/91]

12/18/91 6 Order Dismissing Case, for failure to file IBM Mailing Cards. Parties Notified. (bg) [EOD 12/18/91]

2/11/92 7 Trustee's No Asset Report With UST approval. Report of Abandonment. (gc) [EOD 02/13/92]

DEC 18 1991

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS

Jesse E. Clark, Clerk
By Deputy: *bj*

IN RE: DANIEL ROBERT SERENI
d/b/a Bay Area Contracyors
d/b/a Pacific Coast Builders

§
§
§
§
§

CASE NUMBER: 91-21594-7

ORDER OF DISMISSAL

THE COURT FINDS that the above named Debtor has filed a petition for relief under Chapter 7, and at the time the petition was filed the Debtor was expressly informed and noticed in writing that the Debtor must comply with Local Rule 1002(d) which reads as follows:

The mailing list of creditors showing their complete names and addresses, including zip codes, in the court's form described in Appendix D, must be filed within five days of the filing of a voluntary petition.

There being no compliance with this notice and rule to this date and pursuant to the inherent power of this Court to manage its own affairs "as to achieve the orderly and expeditious disposition of cases," Link v. Wabash R.R. Co., 82 S.Ct. 1386, 1389 (1962);

IT IS ACCORDINGLY ORDERED that this case be and the same is hereby DISMISSED without prejudice for want of prosecution, thereby lifting all stays.

IT IS FURTHER ORDERED that Debtor's attorney (or Debtor, if not represented by counsel) notify all creditors and parties in interest of the dismissal of this case within five days after receipt of this Order.

DATED: December 18, 1991

[Handwritten Signature]
UNITED STATES BANKRUPTCY JUDGE

cc: Debtor
Debtor's Atty
Trustee
US Trustee

UNITED STATES BANKRUPTCY COURT AUG 14 1991
SOUTHERN DISTRICT OF TEXAS
McALLEN DIVISION

Jesse E. Clark, Clerk
By Deputy: *B. Chavis*

IN RE

DANIEL ROBERT SERENI F/D/B/A BAY AREA
CONTRACTORS, A GENERAL PARTNERSHIP,
AND F/D/B/A PACIFIC COAST BUILDERS,
A GENERAL PARTNERSHIP,

DEBTOR

Social Security No. 569-82-8231

* BANKRUPTCY CASE NO.
*
* **91-21594-M -7**
*
* CHAPTER 7

ORDER

The Court has reviewed the application for allowance of attorney's fees and disclosure statement of counsel for the Debtor in the within matter, and hereby enters its Order:

1. approving the appointment of Kelly K. McKinnis as attorney for the Debtor in the within-named proceeding; and
2. further, approving the award of attorney's fees to counsel for Debtor in the amount of \$900.00.

Dated: _____

UNITED STATES BANKRUPTCY JUDGE

*August 13, 1991
Denied -
inappropriate*

[Handwritten Signature]



Notice sent to:

Kelly K McKinnis
1630 North 10th
McAllen, TX 78501

Daniel Robert Sereni
Route 4, Box 851A
Edinburg, TX 78539

Jay C. Jones
P.O. Box 6058
Corpus Christi, TX 78466

UST

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS

AUG 09 1991

IN RE:
DANIEL ROBERT SERENI d/b/a BAY AREA
CONTRACTORS, a general partnership;
PACIFIC COAST BUILDERS, a general
partnership
569-82-8231
68-0140535
68-0216914

) CASE NO.
)
) 91-21594-M-7

NOTICE OF APPOINTMENT OF TRUSTEE
AND FIXING OF BOND

Pursuant to 11 U.S.C. §701, J. CHRISTOPHER JONES is appointed interim trustee in the above styled case and is hereby designated to preside at the first meeting of creditors held pursuant to 11 U.S.C. §341(a). Pursuant to Bankruptcy Rule 2008, the trustee will be deemed to have accepted this appointment unless it is rejected within five (5) days of receipt of this notice. If the trustee rejects this appointment, the trustee must notify the Court and the United States Trustee.

The bond for this case will be included under the trustee's existing blanket bond.

Unless creditors at the first meeting of creditors elect another trustee, the trustee appointed herein shall serve as trustee without further appointment or qualification under the same bond.

Dated: August 9, 1991

WESLEY B. HUISINGA
United States Trustee

REJECTION OF APPOINTMENT

I, _____, hereby reject _____ office of trustee in this case.

Dated: _____

NOTE: If rejected, file original with the Court and a copy with the United States Trustee.

(4)

Reedscl

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
McALLEN DIVISION

11-11-82 PM 4:00

IN RE

DANIEL ROBERT SERENI F/D/B/A BAY AREA
CONTRACTORS, A GENERAL PARTNERSHIP,
AND F/D/B/A PACIFIC COAST BUILDERS,
A GENERAL PARTNERSHIP,

DEBTOR

* BANKRUPTCY CASE NO.
*
* SOUTHERN DISTRICT OF TEXAS

91-21594-M-7

* CHAPTER 7

Social Security No. 569-82-8231

APPLICATION FOR ALLOWANCE OF ATTORNEY'S FEES
AND DISCLOSURE STATEMENT

The undersigned, as attorney for Debtor herein, makes the following statement pursuant to 11 U.S.C. Section 329:

1. The undersigned is experienced bankruptcy counsel and is competent to handle the representation of Debtor in the within proceeding.
2. The total fee for representation in this chapter 7 bankruptcy will be \$900.00, not including any filing fees. This does not include the cost of representation in any adversary proceeding. It does include the cost of preparation of schedules, attending a creditors meeting, and representation at the discharge hearing, if necessary. The above-cited fee does not include representation after conversion to another chapter of the bankruptcy code.
3. I have received \$120.00 for the filing fee and \$180.00 for attorneys fees, leaving \$720.00 due.
4. The source of the fee is earnings of Debtor.
5. The undersigned has not shared or agreed to share such compensation with any person, other than members or regular associates of the undersigned's law firm, except none.
6. The particulars of such sharing or agreement to share are: not applicable.

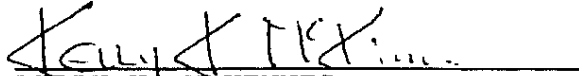
I hereby apply for appointment as counsel for Debtor in the within named action and the award of the fees set forth herein.

(3)

NAME OF DEBTOR: Sereni, Daniel Robert
CASE NUMBER: Unknown at this time
PAGE: 2 of 2

Dated: 8-2-91

Respectfully submitted,



KELLY K. MCKINNIS
Adm. ID No. 10266
1630 N. 10th
McAllen, Texas 78501
Tel. (512) 686-7039
Fax. (512) 687-8352

ATTORNEY IN CHARGE FOR DEBTOR

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
McALLEN DIVISION

IN RE * BANKRUPTCY CASE NO.
*
DANIEL ROBERT SERENI F/D/B/A BAY AREA *
CONTRACTORS, A GENERAL PARTNERSHIP, *
AND F/D/B/A PACIFIC COAST BUILDERS, *
A GENERAL PARTNERSHIP, *
*
DEBTOR * CHAPTER 7

Social Security No. 569-82-8231

NOTICE OF CREDITOR MAILING CARD REQUIREMENT

TO THE ABOVE NAMED DEBTOR AND HIS ATTORNEY:

You are hereby notified of the requirement to file mailing cards with the Bankruptcy Clerk's office within five (5) days of the filing of a petition in bankruptcy under Chapters 7, 11, & 12. This requirement is in accordance with Rule 1002(c) of the Local Rules of the United States Bankruptcy Court for the Southern District of Texas.

Local Rule 1002(c) reads as follows:

AN ALPHABETIZED SET OF IBM MAILING CARDS SHOWING CREDITOR'S COMPLETE NAMES AND ADDRESSES, INCLUDING ZIP CODES, MUST BE PREPARED ACCORDING TO THE FORM ADOPTED BY THIS COURT AND FILED WITHIN FIVE DAYS OF THE FILING OF THE VOLUNTARY PETITION.

Mailing cards and an instruction sheet explaining the manner in which they are to be completed are available at the clerk's office and may be obtained upon request.

If mailing cards are not filed within five (5) days of the date of the filing of this petition, this case will be considered for dismissal by the Court without further notice.

JESSE E. CLARK, Clerk

By: Jesse Bjork
Deputy Clerk

RECEIVED: DATE: 8-7-91

DEBTOR: D. Sereni
DANIEL ROBERT SERENI

ATTORNEY: Kelly K. McKinnis
KELLY K. MCKINNIS

91-21594-M-7

United States Bankruptcy Court
Southern District of Texas

VOLUNTARY
PETITION

SEP 20 1982 10:00

IN RE (Name of Debtor)
SERENI, DANIEL ROBERT

NAME OF JOINT DEBTOR (Spouse)
none

ALL OTHER NAMES used by the debtor in the last 6 years (married, maiden, trade)
BAY AREA CONTRACTORS, A GENERAL PRTRNSHP;
PACIFIC COAST BUILDERS, A GENERAL PRTRNSHP

ALL OTHER NAMES used by the joint debtor in the last 6 years

none

SOC. SEC. / TAX I.D. NO.
569-82-8231/68-0140535/68-0216914

SOC. SEC. / TAX I.D. NO.
none

STREET ADDRESS OF DEBTOR
Route 4 Box 851A
Edinburg, TX 78539

STREET ADDRESS OF JOINT DEBTOR
none

COUNTY OF RESIDENCE OR
PRINCIPAL PLACE OF BUSINESS
Hidalgo

COUNTY OF RESIDENCE OR
PRINCIPAL PLACE OF BUSINESS
none

MAILING ADDRESS OF DEBTOR (if different)

Same as above

MAILING ADDRESS (if different)

Same as above

LOCATION OF PRINCIPAL ASSETS OF BUSINESS
DEBTOR (if different)

Same as above

VENUE

Debtor has been domiciled or has had a residence principal place of business, or principal assets in this District for 180 days immediately preceding the date of this petition or for a longer part of such 180 days than in any other District.

INFORMATION REGARDING DEBTOR (Check applicable boxes)

TYPE OF DEBTOR

Individual

CHAPTER OR SECTION OF BANKRUPTCY
CODE UNDER WHICH PETITION IS FILED
Chapter 7

NATURE OF DEBT: Business

FILING FEE

TYPE OF BUSINESS: Construction

Filing fee attached

BRIEFLY DESCRIBE NATURE OF BUSINESS:

Residential remodeling and light
commercial construction.

NAME AND ADDRESS OF LAW FIRM
Kelly K. McKinnis
1630 N. 10th
McAllen, Texas 78501
Tel. (512)686-7039

①

NAME OF DEBTOR: Sereni, Daniel Robert
CASE NUMBER: unknown at time
PAGE: 2 of 3

ATTORNEY DESIGNATED FOR DEBTOR
Kelly K. McKinnis #10266
1630 N. 10th
McAllen, Texas 78501

STATISTICAL ADMINISTRATIVE INFORMATION (U.S.C. § 604)
(Estimates only)

- Debtor estimated that funds will be available for distribution to unsecured creditors
- Debtor estimates that, after any exempt property is excluded and administrative expenses are paid, there will be no funds available for distribution to unsecured creditors

ESTIMATED NUMBER OF CREDITORS: 16 - 49

ESTIMATED ASSETS (in thousands of dollars): Under 50

ESTIMATED LIABILITIES (in thousands of dollars): 100 - 499

ESTIMATED NO. OF EMPLOYEES - Ch. 11 & 12 ONLY: Not applicable

ESTIMATED NO. OF EQUITY SECURITY HOLDERS - CH. 11 & 12 ONLY: Not applicable

FILING OF PLAN

For Chapter 9, 11, 12 and 13 cases only.
Not applicable.

PRIOR BANKRUPTCY CASE FILED WITHIN LAST 6 YEARS (If more than one, attach sheet)

Location Where Filed	Case Number	Date Filed
Not applicable	none	none

PENDING BANKRUPTCY CASE FILED BY ANY SPOUSE, PARTNER OR AFFILIATE OF DEBTOR

Name of Debtor	Case Number	Date
RICHEY, MATTHEW	390-367-39-H13	12-12-90

Relationship	District	Judge
Former General Partner	Oregon	Heis

REQUEST FOR RELIEF

Debtor requests relief in accordance with the chapter of title 11, United States Code, specified in this petition.

NAME OF DEBTOR:
CASE NUMBER:
PAGE:

Sereni, Daniel Robert
Unknown at time
3 of 3

SIGNATURES

Attorney

X Kelly K McKinnis
Signature

August 8, 1991
Date

INDIVIDUAL JOINT DEBTOR

I declare under penalty of perjury the information provided in this petition is true and correct.

X D. Sereni
Signature

8/8/91
Date

EXHIBIT "A" (To be completed if debtor is a corporation requesting relief under Chapter 11)

Exhibit "A" is not attached, as it is inapplicable.

TO BE COMPLETED BY INDIVIDUAL CHAPTER 7 DEBTOR WITH PRIMARILY CONSUMER DEBTS

I am aware that I may proceed under chapter 7, 11, or 12, or 13 of title 11, United States Code, understand the relief available under such chapter, and choose to proceed under chapter 7 of such title.

X D. Sereni
Signature

8/8/91
Date

EXHIBIT "B" (To be completed by attorney for individual chapter 7 debtor(s) with primarily consumer debts)

I, the attorney for the debtor(s) named in the foregoing petition, declare that I have informed the debtor(s) that (he, she, or they) may proceed under chapter 7, 11, 12, or 13 of title 11, United States Code, and have explained the relief available under such chapter.

X Kelly K McKinnis
Signature of Attorney

August 8, 1991
Date

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
McALLEN DIVISION

IN RE	*	BANKRUPTCY CASE NO.
	*	
DANIEL ROBERT SERENI F/D/B/A BAY AREA	*	
CONTRACTORS, A GENERAL PARTNERSHIP, AND	*	
F/D/B/A PACIFIC COAST BUILDERS, A	*	
GENERAL PARTNERSHIP,	*	
	*	
DEBTOR	*	CHAPTER 7

Social Security No. 569-82-8231

LIST OF CREDITORS

Acacia Glass Co. 1525 Haight St. San Francisco CA 94117	Culley Electric P.O. Box 5421 Mill Valley CA 94942	Internal Revenue Service 101 Lucas Valley Rd. #300 San Rafael CA 94903
American Olean Tile 8250 Industrial Ave. Roseville CA 95678	De Berg Painting 3818 Quigley St. Oakland CA 94619	Jackson's Hardware P.O. Box 2428 San Rafael CA 94912
Amesos Plumbing 1525 Francisco Blvd. #8 San Rafael CA 94901	Dotto Glass Inc. 74 Mitchell Blvd. San Rafael CA 94903	Lingruen Associates 1555 Yosemite Ave. #5 San Francisco CA 94124
Ashby Lumber Co. 824 Ashby Ave. Berkeley CA 94710	El Cerrito Lumber Co. 10812 San Pablo Ave. El Cerrito CA 94530	Marble Systems, Inc. 23384 Foley Hayward CA 94545
Athena Electrical 106 Harvard St. San Francisco CA 94134	Elite Tile 2740 No. Main St. Walnut Creek CA 94596	Mill Valley Lumber Co. 129 Miller Ave. Mill Valley CA 94941
B.F. Hovis Drywall P.O. Box 3239 San Rafael CA 94912	Envirotherm P.O. Box 15097 San Rafael CA 94915	Piedmont Lumber 395 Taylor Blvd. Suite 225 Pleasant Hill CA 94523
California Shower Door 1795 Yosemite St. San Francisco CA 94124	European Hardwood 827 Sheridan St. Vallejo CA 94590	Rainbow Plastics 21 Commercial Blvd. Novato CA 94949
Castro Bros. Hardwood (Tan Oak) 1595 E. Francisco Blvd. San Rafael CA 94901	Fourth Street Wood- working 1266 45th St. Emeryville CA 94608	RMC Lonestar 6601 Knoll Center Parkway Pleasanton CA 94566
Carew Stucco 2566 39th Ave. San Francisco CA 94116	G.B. International 3476 Diablo Ave. Hayward CA 94545	Richey, Matthew 1206 Pine St. Silverton OR 97381

NAME OF DEBTOR:
CASE NUMBER:
PAGE:

Sereni, Daniel Robert
Unknown at time
2 of 2

Chase Advantage
P.O. Box 35202
Wilmington DE 19886-0428

Gigante Painting
159 Oakview Road
Pleasant Hill CA 94523

Sunset Debris
92 Tunel Ave.
San Francisco CA 94134

Citibank
P.O. Box 6125
Sioux Falls SD 57117-6125

Gillion Lumber Co.
3931 Gillion Street
San Francisco CA 94118

Steam on Wheels
3100 Del Oceano, Suite 200
Lafayette CA 94549

City Electric Supply
P.O. Box 6171
Novato CA 94948

Golden State Lumber
P.O. Box 3239
San Rafael CA 94912

Trahan Bros.
60 A Belvedere St.
San Rafael CA 94901

Contract Flooring
1893 Centro West
Tiburon CA 94920

Gomez Iron Works
1195 Hillside Blvd.
Daly City CA 94014

Unocal Oil Co.
P.O. Box 52202
Phoenix AZ 85072

Contractors Labor Pool
2560 9th St.
Berkeley CA 94710

G.T.E. Mobilenet
P.O. Box 298010
Houston TX 77298

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
McALLEN DIVISION

IN RE

DANIEL ROBERT SERENI F/D/B/A BAY AREA
CONTRACTORS, A GENERAL PARTNERSHIP,
AND F/D/B/A PACIFIC COAST BUILDERS,
A GENERAL PARTNERSHIP,

DEBTOR

* BANKRUPTCY CASE NO.

*

*

*

*

*

*

CHAPTER 7

91-21594-M -7

Social Security No. 569-82-8231

ORDER

The Court has reviewed the application for allowance of attorney's fees and disclosure statement of counsel for the Debtor in the within matter, and hereby enters its Order:

1. approving the appointment of Kelly K. McKinnis as attorney for the Debtor in the within-named proceeding; and

2. further, approving the award of attorney's fees to counsel for Debtor in the amount of \$900.00.

Dated: _____

UNITED STATES BANKRUPTCY JUDGE

EXHIBIT "Q"

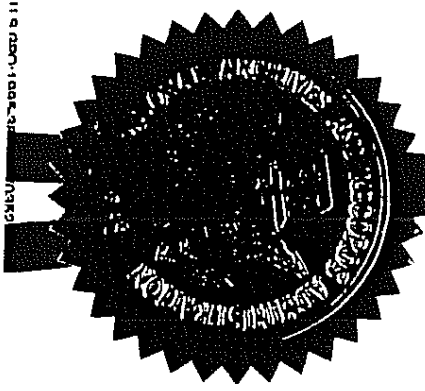
**IN RE DANIEL ROBERT SERENI
UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS (MCALLEN)
DBA BAY AREA CONTRACTORS
A GENERAL PARTNERSHIP
FDPA PACIFIC COAST BUILDERS
A GENERAL PARTNERSHIP**

**CASE NO. 94-21973-M-7
FILED 9/12/1994**

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION

On all items from these presents shall come. Breveing:

By virtue of the authority vested in me by the Archivist of the United States, I certify on his behalf, under the seal of the National Archives and Records Administration, that the attached reproduction(s) is a true and correct copy of documents in his custody.



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SIGNATURE	
NAME <i>Julia Bone</i>	DATE <i>9-14-05</i>
TITLE KENT C. CARTER Regional Director	
NAME AND ADDRESS OF DEPOSITORY Office of Regional Records Services Southwest Region 501 W. Felix St., Bldg. 1 Fort Worth, TX 76115	

NA FORM 12040 (10-2001)

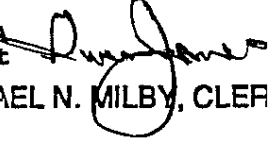
Case Number: 94-21973 rss

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
ENTERED

IN RE (NAME OF DEBTOR)

Daniel Robert Sereni, 569-82-8231,
68-0140535, dba Bay Area Contractors A
General Partnership, dba Pacific Coast
Builders A General Partnership

JAN 12 1995

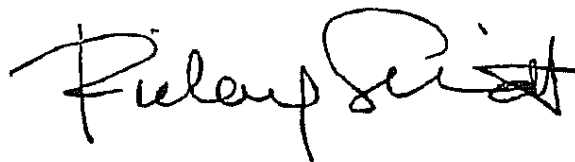

MICHAEL N. MILBY, CLERK

DISCHARGE OF DEBTOR

It appearing that a petition commencing a case under title 11, United States code, was filed by or against the person named above on 09/12/94, and that an order for relief was entered under chapter 7, and that no complaint objecting to the discharge of the debtor was filed within the time fixed by the court [or that a complaint objecting to discharge of the debtor was filed and, after due notice and hearing, was not sustained];

IT IS ORDERED THAT:

1. The above-named debtor is released from all dischargeable debts.
2. Any judgment heretofore or hereafter obtained in any court other than this court is null and void as a determination of the personal liability of the debtor with respect to any of the following:
 - (a) debts dischargeable under 11 U.S.C. Sec. 523;
 - (b) unless heretofore or hereafter determined by order of this court to be nondischargeable, debts alleged to be excepted from discharge under clauses (2), (4) and (6) of 11 U.S.C. Sec. 523(a);
 - (c) debts determined by this court to be discharged.
3. All creditors whose debts are discharged by this order and all creditors whose judgments are declared null and void by paragraph 2 above are enjoined from instituting or continuing any action or employing any process or engaging in any act to collect such debts as personal liabilities of the above-named debtor.



Dated: 1/12/95

BY THE COURT

Richard S. Schmidt
United States Bankruptcy Judge

AMENDED SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS

Creditor Name and Address	Date Claim was Incurred Consideration for Claim	United States District Court Southern District of Texas FILED	Claim Amount and Notes*
1. Account No. Acacia Glass Co. 1525 Haight St. San Francisco, CA 94117	1990 Miscellaneous purchases	NOV 14 1994	\$ 350.00
<i>Michael N. Milby, Clerk of Court</i>			
2. Account No. American Olean Tile 8250 Industrial Ave. Roseville, CA 95678	1990 Miscellaneous purchases		\$ 2,005.88
Michael Hutch Representing: American Olean Tile			
3. Account No. Amesos Plumbing 1525 Francisco Blvd., Suite 8 San Rafael, CA 94901	1990 Miscellaneous purchases		\$ 2,538.00
4. Account No. Ashby Lumber Co. 824 Ashby Ave. Berkerly, CA 94710	1990 Miscellaneous purchases		\$ 1,130.88
5. Account No. Athena Electrical 106 Harvard St. San Francisco, CA 94134	1990 Miscellaneous purchases		\$ 550.00
6. Account No. B.F. Hovis Drywall P.O. Box 3239 San Rafael, CA 94912	1990 Miscellaneous purchases		\$ 5,460.38
Bud Hovis Representing: B.F. Hovis Drywall			
7. Account No. California Shower Door 1795 Yosemite San Rafael, CA 94124	1990 Miscellaneous purchases		\$ 1,384.65
8. Account No. Carew Stucco 2566 39th Ave. San Francisco, CA 94116	1990 Miscellaneous purchases		\$ 7,550.00

4 continuation sheets attached

Subtotal: \$ 20,969.79

AMENDED SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS
(Continuation Sheet)

Creditor Name and Address	Date Claim was Incurred Consideration for Claim	Claim Amount and Notes*
9. Account No. 1989 Castro Bros. Hrdwd. (Tan Oak) 1595 E. Francisco Blvd. San Rafael, CA 94901	Miscellaneous purchases	\$ 1,927.37
10. Account No. 2155117332 Chase Advantage P.O. Box 35202 Wilmington, DE 19886-0428	1990 Credit card purchases	\$ 2,500.00
11. Account No. 5472330107177866 Citibank P.O. Box 6125 Sioux Falls, SD 57117-6125	1990 Credit card purchases	\$ 4,000.00
12. Account No. City Electric Supply P.O. Box 6171 Novato, CA 94948	1990 Miscellaneous purchases	\$ 1,500.00
13. Account No. Contract Flooring 1893 Centro West Tiburon, CA94920	1989 Miscellaneous purchases	\$ 1,956.50
Ron Gunderson Representing: Contract Flooring		
14. Account No. Contractors Labor Pool 2560 9th St. Berkely, CA 94710	1990 Miscellaneous services	\$ 13,691.18
15. Account No. Culley Electric P.O. Box 5421 Mill Valley, CA 94942	1990 Miscellaneous purchases	\$ 1,500.00
16. Account No. De Berg Painting 3818 Quigley St. Oakland, CA 94619	1990 Miscellaneous purchases	\$ 3,670.00

AMENDED SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS
(Continuation Sheet)

Creditor Name and Address	Date Claim was Incurred Consideration for Claim	Claim Amount and Notes*
17. Account No. Dotto Glass, Inc. 74 Mitchell Blvd. San Rafael, CA 94903	1990 Miscellaneous purchases	\$ 3,530.19
Ernie Lyons Representing: Dotto Glass, Inc.		
18. Account No. El Cerrito Lumber Co. 10812 San Pablo Ave. El Cerrito, CA 94530	1990 Miscellaneous purchases	\$ 8,641.25
19. Account No. Elite Tile 2740 N. Main St. Walnut Creek, CA 94596	1990 Miscellaneous purchases	\$ 1,500.00
20. Account No. Envirotherm P.O. Box 15097 San Rafael, CA 94915	1990 Miscellaneous purchases	\$ 1,780.90
21. Account No. European Hardwood 827 Sheridan St. Vallejo, CA 94590	1990 Miscellaneous purchases	\$ 2,790.00
22. Account No. Fourth Street Woodworking 1266 45th St. Emeryville, CA 94608	1990 Miscellaneous purchases	\$ 3,871.00
23. Account No. G.B. International 3476 Diablo Ave. Hayward, CA 94545	1990 Miscellaneous purchases	\$ 1,500.00
24. Account No. Gigante Painting 159 Oakview Road Pleasant Hill, CA 94523	1990 Miscellaneous services	\$ 6,500.00

AMENDED SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS
(Continuation Sheet)

Creditor Name and Address	Date Claim was Incurred Consideration for Claim	Claim Amount and Notes*
25. Account No. Gillion Lumber Co. 3931 Gillion St. San Francisco, CA 94118	1990 Miscellaneous purchases	\$ 635.28
26. Account No. Golden State Lumber P.O. Box 3239 San Rafael, CA 94912	1990 Miscellaneous purchases	\$ 2,252.00
27. Account No. Gomez Iron Works 1195 Hillside Blvd. Daly City, CA 94014	1990 Miscellaneous services	\$ 665.00
28. Account No. GTE Mobilenet P.O. Box 298010 Houston, TX 77298	1990 Cellular phone service	\$ 804.91
29. Account No. Jackson's Hardware P.O. Box 2428 San Rafael, CA 94912	1990 Miscellaneous purchases	\$ 3,376.63
Jim Pozzi Representing: Jackson's Hardware		
30. Account No. Lingruen Associates 1555 Yosemite Ave., #5 San Francisco, CA 94124	1990 Miscellaneous purchases	\$ 200.00
31. Account No. Marble Systems, Inc. 23384 Foley Hayward, CA 94545	1990 Miscellaneous purchases	\$ 1,500.00
32. Account No. Mill Valley Lumber Co. 129 Miller Ave. Mill Valley, CA 94941	1990 Miscellaneous purchases	\$ 3,492.00

AMENDED SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS
(Continuation Sheet)

Creditor Name and Address	Date Claim was Incurred Consideration for Claim	Claim Amount and Notes*
33. Account No. Piedmont Lumber 395 Taylor Blvd., Suite 225 Pleasant Hill, CA 94523	1990 Miscellaneous purchases	\$ 1,454.17
34. Account No. Rainbow Plastics 21 Commercial Blvd. Novato, CA 94949	1990 Miscellaneous purchases	\$ 2,448.17
35. Account No. RMC Lonestar 6601 Knoll Center Parkway Pleasanton, CA 94566	1990 Miscellaneous purchases	\$ 553.64
36. Account No. Steam on Wheels 3100 Oceano, Suite 200 Lafayette, CA 94549	1990 Miscellaneous purchases	\$ 485.00
Bob Van Gelder Representing: Steam on Wheels		
37. Account No. Sunset Debris 92 Tunel Ave. San Francisco, CA 94134	1990 Miscellaneous purchases	\$ 1,860.00
38. Account No. Traham Bros. 60 A Belvedere St. San Rafael, CA 94901	1990 Miscellaneous purchases	\$ 7,769.00
39. Account No. Unocal Oil Co. P.O. Box 52202 Phoenix, AZ 85072	1990 Credit card purchases	\$ 1,393.91

In re: Sereni, Daniel Robert, Debtor

Case No. 94-21973-M-7

DECLARATION UNDER PENALTY OF PERJURY BY INDIVIDUAL DEBTOR

I declare under penalty of perjury that I have read the foregoing Amended Schedule F, consisting of 5 sheets, and that they are true and correct to the best of my knowledge, information, and belief.

Date Nov 8, 1994

Signature Daniel Robert Sereni
KELLY Mc
Daniel Robert Sereni

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS

IN RE: .	United States District Court Southern District of Texas FILED	
SERENI, DANIEL ROBERT (Debtors)	NOV 16 1994	Case Number: 94-21973-M-7 (Chapter 7)
Michael N. Milby, Clerk of Court		

NO ASSET REPORT

The undersigned Trustee reports to the Court that the Sec. 341(a) Meeting of Creditors was concluded on 11/8/94 that he has neither received any property nor paid any money on account of this estate; that he has made a diligent inquiry into the whereabouts of property available for distribution from the estate.

The undersigned Trustee certifies that on this date, the original and two (2) copies of this Report were filed with the United States Bankruptcy Court and a copy was hand delivered to the Debtor(s) and to the attorney for the Debtor(s) at the Sec. 341(a) Meeting of Creditors.

REPORT OF ABANDONMENT

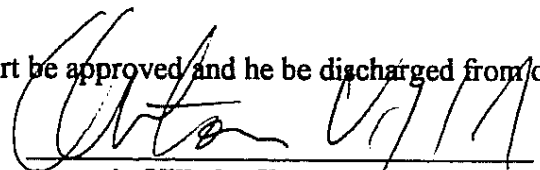
Pursuant to B.L.R. 6007(a), the undersigned Trustee reports the abandonment of "all scheduled assets."

The Trustee is satisfied that the above-described property has a value to the estate of \$2,5000.00 or less because :

Based on examination of the Debtor(s), Debtor(s) attorney, available experts and Trustee's best business judgment, it is determined by the Trustee that the fair market value of any remaining property is \$2,500.00 or less; that there are no assets in the estate over and above the exemptions claimed by the Debtor(s) to which the Trustee has no objection and any other non-exempt property and scheduled property not disposed of by previous Order of this Court is to be deemed abandoned upon closing of this case pursuant to 11 U.S.C. Sec. 544(c).

WHEREFORE, the Trustee requests that this report be approved and he be discharged from office.

DATED : 11/8/94


Antonio Villeda, Trustee

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS**

IN RE : SERENI, DANIEL ROBERT DEBTOR(S)	United States District Court Southern District of Texas FILED NOV 16 1994 Michael N. Milby, Clerk of Court
CASE NUMBER : 94-21973-M-7 (Chapter 7)	

TRUSTEE'S REPORT AFTER MEETING OF CREDITORS

After notice and hearing, at the 341(a) Meeting of Creditors held on 11/8/94 no adverse interest having been presented, the Trustee recommends the Case be:

- CLOSED AS A NO-ASSET CASE,**
 HELD OPEN AS AN ASSET CASE,
 RESET,
 DISMISSED, and that:
 No Claims docket is necessary at this time.
 Claims docket necessary.
 Exemptions claimed in Schedule B-4/C allowed
 Trustee objects to Exemptions & requests hearing
 Trustee shall sell all non-exempt property.
 The following property is abandoned by Trustee as burdensome.
 All Scheduled assets,
 Property listed in Schedule B-4 or C.

Debtor to amend within 14 days the following:

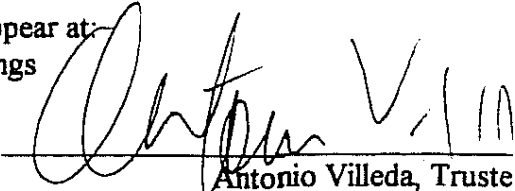
- A-1 / E,
 A-2 / D,
 A-3 / F,
 B-1 / A,
 B-2 / B,
 B-3 / B,
 B-4 / C
 Sec. 521 Statement of Intent and provided notice pursuant to Bankruptcy Rules.

Debtor to turnover to Trustee within 14 days:

- Last 12 months checks & bank statements of:
 Individual,
 Business;
 Last 2 years Income Tax Returns of:
 Individual,
 Business;
 General Warranty Deed on Real Estate;
 Articles of Incorporation, Minute Book & Shareholder Register;
 Turnover all Accounts Receivable Invoices & Accounts Payable (paid w/in last _____ mths prior to filing);

Trustee has requested that the Counsel for the Debtor(s):

- RESET** the Sec. 341(a) Meeting for the _____ day of _____, 19____ at ____ m., and a new notice to be issued by the Counsel for the Debtor(s) to all creditors, for the reason that:
 Debtor(s) failed to appear,
 Counsel for Debtor(s) failed to appear,
 Further testimony is needed.
 Trustee pursuant to BLR 1017 and is filing a **MOTION TO DISMISS** for the following reasons(s):
 Failure to provide complete:
 Statement of Affairs,
 Mailing Lists,
 Description of estate assets,
 Schedules
 Failure of _____ Debtor(s) _____ Counsel to appear at:
 _____ initial _____ subsequent creditor meetings


 Antonio Villeda, Trustee

Southern District of Texas

NOTICE OF COMMENCEMENT OF CASE UNDER CHAPTER 7
OF THE BANKRUPTCY CODE,
MEETING OF CREDITORS, AND FIXING OF DATES
(Individual or Joint Debtor No Asset Case)

Case Number: 94-21973 rss

Date Filed (or Converted) : 09/12/94

United States Bankruptcy Court
Southern District of Texas
FILED

OCT 24 1994

Michael N. Milby, Clerk of Court

IN RE (NAME OF DEBTOR)
Daniel Robert Sereni, 569-82-8231,
68-0140535, dba Bay Area Contractors A
General Partnership, dba Pacific Coast
Builders A General Partnership

ADDRESS OF DEBTOR
Route 4 Box 851A
Edinburg, TX 78539

NAME/ADDRESS OF ATTORNEY FOR DEBTOR
Kelly K McKinnis
Attorney at Law
1630 N 10th
McAllen, TX 78501

NAME/ADDRESS OF TRUSTEE
Antonio Villeda
801 Nolana
Suite 340
McAllen, TX 78504

Telephone Number: 210-686-7039

Telephone Number:

DATE/TIME/LOCATION OF MEETING OF CREDITORS
November 8, 1994 at 10:30 am
NCNB Building
222 East Van Buren
Room 301
Harlingen, TX 78550

Discharge of Debts: Deadline to File a Complaint Objecting to Discharge of the Debtor or to
Determine Dischargeability of Certain Types of Debts: 01/07/95

AT THIS TIME THERE APPEAR TO BE NO ASSETS AVAILABLE FROM WHICH PAYMENT MAY BE MADE TO UNSECURED CREDITORS.
DO NOT FILE A PROOF OF CLAIM UNTIL YOU RECEIVE NOTICE TO DO SO.

COMMENCEMENT OF CASE. A petition for liquidation under chapter 7 of the Bankruptcy Code has been filed in this court by or against the person or persons named above as the debtor, and an order for relief has been entered. You will not receive notice of all documents filed in this case. All documents filed with the court, including lists of the debtor's property, debts, and property claimed as exempt are available for inspection at the office of the clerk of the bankruptcy court.

CREDITORS MAY NOT TAKE CERTAIN ACTIONS. A creditor is anyone to whom the debtor owes money or property. Under the Bankruptcy Code, the debtor is granted certain protection against creditors. Common examples of prohibited actions by creditors are contacting the debtor to demand repayment, taking action against the debtor to collect money owed to creditors or to take property of the debtor, and starting or continuing foreclosure actions, repossessions, or wage deductions. If unauthorized actions are taken by a creditor against a debtor, the court may penalize that creditor. A creditor who is considering taking action against the debtor or the property of the debtor should review Sec. 362 of the Bankruptcy Code and may wish to seek legal advice. The staff of the clerk of the bankruptcy court is not permitted to give legal advice.

MEETING OF CREDITORS. The debtor (both husband and wife in a joint case) is required to appear at the meeting of creditors on the date and at the place set forth above for the purpose of being examined under oath. Attendance by creditors at the meeting is welcomed, but not required. At the meeting, the creditors may elect a trustee other than the one named above, elect a committee of creditors, examine the debtor, and transact such other business as may properly come before the meeting. The meeting may be continued or adjourned from time to time by notice at the meeting, without further written notice to creditors.

LIQUIDATION OF THE DEBTOR'S PROPERTY. The trustee will collect the debtor's property and turn any that is not exempt into money. At this time, however, it appears from the schedules of the debtor that there are no assets from which any distribution can be paid to creditors. If at a later date it appears that there are assets from which a distribution may be paid, the creditors will be notified and given an opportunity to file claims.

EXEMPT PROPERTY. Under state and federal law, the debtor is permitted to keep certain money or property as exempt. If a creditor believes that an exemption of money or property is not authorized by law, the creditor may file an objection. An objection must be filed not later than 30 days after the conclusion of the meeting of creditors.

DISCHARGE OF DEBTS. The debtor is seeking a discharge of debts. A discharge means that certain debts are made unenforceable against the debtor personally. Creditors whose claims against the debtor are discharged may never take action against the debtor to collect the discharged debts. If a creditor believes that the debtor should not receive any discharge of debts under Sec. 727 of the Bankruptcy Code or that a debt owed to the creditor is not dischargeable under Sec. 523(a)(2), (4), or (6) of the Bankruptcy Code, timely action must be taken in the bankruptcy court by the deadline set forth above labeled "Discharge of Debts." Creditors considering taking such action may wish to seek legal advice.

DO NOT FILE A PROOF OF CLAIM UNLESS YOU RECEIVE A COURT NOTICE TO DO SO

For the Court:

Michael N. Milby
Clerk of the Bankruptcy Court

10/24/94
Date

FORM B9A 0021

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS

IN RE

Case Number 94-21973 rss
Chapter 7

Debtor(s): Daniel Robert Sereni, SSN: 569-82-8231, TAX ID: 68-0140535
Route 4 Box 851A
Edinburg, TX 78539

NOTICE OF APPOINTMENT OF TRUSTEE
AND FIXING OF BOND

Pursuant to 11 U.S.C. S701, Antonio Villeda is appointed interim trustee in the above styled case and is hereby designated to preside at the first meeting of creditors held pursuant to 11 U.S.C. S341(a). Pursuant to Bankruptcy Rule 2008, the trustee will be deemed to have accepted this appointment unless it is rejected within five (5) days of receipt of this notice. If the trustee rejects this appointment, the trustee must notify the Court and the United States Trustee.

The bond for this case will be included under the trustee's existing blanket bond.

Unless creditors at the first meeting of creditors elect another trustee, the trustee appointed herein shall serve as trustee without further appointment or qualification under the same bond.

Dated: 9/13/94

RICHARD W. SIMMONS
United States Trustee

REJECTION OF APPOINTMENT

I, Antonio Villeda, hereby reject the office of trustee in this case. Dated: _____ .

Antonio Villeda

NOTE: If rejected, file the original with the Court and a copy with the United States Trustee.

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS

SEP 17 1994

Michael N. Kirby, Clerk

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS

RECEIPT OF CREDITORS LIST

CASE NUMBER

94-21913-M-7

DEBTOR(S) NAME(S) Sereni, Daniel Robert

FLOPPY DISKETTE _____

MATRIX _____

TOTAL NUMBER OF NOTICES TO BE SENT _____

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
DALLAS

OCT 19 1994

Michael N. Wilby, Clerk

(2)

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
MCALLEN DIVISION

VOLUNTARY
PETITION

94-21973-M-71

IN RE <i>Sereni, Daniel Robert</i>	NAME OF JOINT DEBTOR
ALL OTHER NAMES used by the debtor in the last 6 years <i>Bay Area Contractors, A General Partnership Pacific Coast Builders, A General Partnership</i>	ALL OTHER NAMES used by the joint debtor in the last 6 years
SOC. SEC./TAX I.D.# <i>569828231/68-0140535/68-021694</i>	SOC. SEC./TAX I.D.#
STREET ADDRESS OF DEBTOR <i>Route 4, Box 851A Edinburg, TX 78539</i> <i>Ph: (210)381-0025</i>	STREET ADDRESS OF JOINT DEBTOR
COUNTY OF RESIDENCE OR BUSINESS <i>Hidalgo</i>	COUNTY OF RESIDENCE OR BUSINESS
MAILING ADDRESS OF DEBTOR <i>SAME</i>	MAILING ADDRESS OF JOINT DEBTOR
BUSINESS DEBTOR'S PRINCIPAL ASSET LOCATION <i>SAME</i>	VENUE <input checked="" type="checkbox"/> Debtor's domicile, residence, or business assets were in this District for the 180 days preceding this petition.

INFORMATION REGARDING DEBTOR

DEBTOR TYPE: <input checked="" type="checkbox"/> Individual DEBT NATURE: <input checked="" type="checkbox"/> Business	CHAPTER/SECTION: <input checked="" type="checkbox"/> Chapter 7 FILING FEE: <input checked="" type="checkbox"/> attached
A. BUSINESS TYPE: <input checked="" type="checkbox"/> Construction	NAME AND ADDRESS OF LAW FIRM OR ATTORNEY <i>Kelly K. McKinnis #10266 1630 North 10th Street McAllen, Texas 78501</i> Telephone No. <i>(210)686-7039</i>
B. BRIEFLY DESCRIBE NATURE OF BUSINESS <i>Residential remodeling and light commercial construction business</i>	ATTORNEY(S) REPRESENTING DEBTOR <i>Kelly K. McKinnis #10266</i>
	<input type="checkbox"/> Debtor not represented by an attorney.

STATISTICAL ADMINISTRATIVE INFORMATION (28 U.S.C. 604)

Funds will not be available for unsecured creditors.

ESTIMATED NO. OF CREDITORS: 16-49
ESTIMATED ASSETS (thousands): Under 50
ESTIMATED LIABILITIES (thousands): 100-499
ESTIMATED NO. OF EMPLOYEES: Not Applicable
ESTIMATED EQUITY SECURITY HOLDERS: Not Applicable

THIS SPACE FOR COURT USE ONLY

Debtor: Sereni, Daniel Robert

Case No.:

FILING OF PLAN

For Chapter 9, 11, 12 and 13 cases only.

PRIOR BANKRUPTCY CASE FILED WITHIN LAST 6 YEARS

Location Where Filed McAllen, Texas	Case Number 91-01594-M-7	Date Filed 08-08-91
--	-----------------------------	------------------------

PENDING BANKRUPTCY CASE FILED BY ANY SPOUSE, PARTNER, OR AFFILIATE OF THE DEBTOR

Name of Debtor NONE	Case Number	Date
Relationship	District	Judge

REQUEST FOR RELIEF

Debtor requests relief under the U.S. Code title 11 chapter specified in this petition.

SIGNATURES

Attorney

X Kelly K. McKinnis
 Attorney: Kelly K. McKinnis #10266

Date: 8-18-94

INDIVIDUAL DEBTOR

I declare under penalty of perjury that the information provided in this petition is true and correct.

X Daniel Sereni
 Debtor: Sereni, Daniel Robert
 Date:

CORPORATE OR PARTNERSHIP DEBTOR

I declare under penalty of perjury that the information in this petition is true and correct and that the filing of this petition on behalf of the debtor has been authorized.

X _____
 Signature of Authorized Individual

Name:
Title:
Date:

EXHIBIT "A"

[] Exhibit "A" is attached and made part of this petition.

TO BE COMPLETED BY INDIVIDUAL CHAPTER 7 DEBTOR WITH PRIMARILY CONSUMER DEBTS (See P.L. 98-353 S322)

I am aware that I may proceed under chapter 7, 11, or 12, or 13 of title 11, U.S. Code understand the relief available under such chapter, and choose to proceed under chapter 7 of such title. If I am represented by an attorney Exhibit "g" has been completed.

X Daniel Sereni
 Debtor: Sereni, Daniel Robert

Date: 8/18/94

EXHIBIT "B"

I, the attorney for the debtor(s) named in the foregoing petition, declare that I have informed the debtor(s) that (he, she, or they) may proceed under chapter 7, 11, 12, or 13 of title 11, U.S. Code, and have explained the relief available under such chapter.

X Kelly K. McKinnis
 Attorney: Kelly K. McKinnis #10266

Date: 8-18-94

UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
MCALLEN DIVISION

In re Sereni, Daniel Robert

Case No.
Chapter 7
Debtor

Attorney for Debtor: Kelly K. McKinnis #10266

STATEMENT Pursuant to Rule 2016(b)

The undersigned, pursuant to Rule 2016(b), Rules of Bankruptcy Procedure, states that:

1. The compensation paid or promised by the Debtor(s), to the undersigned, is as follows:

For legal services rendered, Debtor(s) agrees to pay	\$ 0.00
Prior to the filing of this Statement, Debtor(s) has paid	0.00
Balance Due	0.00

2. The Filing Fee has been paid.

3. The Services rendered or to be rendered include the following:

- (a) Analysis of the financial situation, and rendering advice and assistance to the client in determining whether to file a petition under Title 11, U. S. C.
- (b) Preparation and filing of the petition, schedules, statement of affairs and other documents required by the court.
- (c) Representation of the client at the first meeting of creditors.

4. The source of payments made by the debtor(s) to the undersigned was from earnings, wages and compensation for services performed, and none other.

5. The source of payments to be made by the debtor(s) to the undersigned for the unpaid balance remaining, if any, will be from earnings, wages and compensation for services performed, and none other.


6. The undersigned has received no transfer, assignment or pledge of property from the debtor(s) except the following for the value stated: None.

7. The undersigned has not shared or agreed to share with any other entity, other than with members of the undersigned's law firm, any compensation paid or to be paid except as follows: None.

Dated:

Respectfully submitted,

Attorney for Petitioner:


Kelly K. McKinnis #10266
1630 North 10th Street
McAllen, Texas 78501

**UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
MCALLEN DIVISION**

In re *Sereni, Daniel Robert*

Case No.
Chapter 7
Debtor

Attorney for Debtor: Kelly K. McKinnis #10266

SUMMARY OF SCHEDULES

NAME OF SCHEDULE	ATTACHED (YES/NO)	NO. OF SHEETS	A M O U N T S S C H E D U L E D		
			A S S E T S	L I A B I L I T I E S	O T H E R
A - Real Property	Yes	1	\$ 0.00		
B - Personal Property	Yes	4	\$ 3,770.00		
C - Property Claimed As Exempt	Yes	2			
D - Creditor Holding Secured Claims	Yes	1		\$ 0.00	
E - Creditors Holding Unsecured Priority Claims	Yes	2		\$ 20,000.00	
F - Creditors Holding Unsecured Nonpriority Claims	Yes	5		\$ 110,717.89	
G - Executory Contracts and Unexpired Leases	Yes	1			
H - Codebtors	Yes	1			
I - Current Income of Individual Debtor(s)	Yes	1			\$ 1,000.00
J - Current Expenditures of Individual Debtor(s)	Yes	<u>1</u>			\$ 0.00
Total Number of sheets in ALL Schedules >		<u>19</u>			
Total Assets >			<u>\$ 3,770.00</u>		
				Total Liabilities >	<u>\$ 130,717.89</u>

In re: Sereni, Daniel Robert

/ Debtor

Case No.

SCHEDULE A - REAL PROPERTY

Description and Location of Property	Nature of Debtor's Interest in Property	H W J C	Market Value of Debtor's Interest	Amount of Secured Claim
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NONE

Total \$ 0.00

SCHEDULE B - PERSONAL PROPERTY

Description of Property	Location	H W J C	Market Value of Debtor's Interest Before Claim
1. Cash on hand. [x] NONE			
2. Checking, savings or other financial accounts, certificates of deposits or shares in banks, savings, thrift, building and loan, and homestead associations, or credit unions, brokerage houses, or cooperatives. [x] NONE			
3. Security deposits with public utilities, telephone companies, landlords, and others. [x] NONE			
4. Household goods and furnishings, including audio, video, and computer equipment.			
<i>Videocassette recorder</i>			\$ 75
<i>Videocassette recorder</i>			\$ 50
<i>Television - Sharp</i>			\$ 100
<i>Television - Mitsubishi</i>			\$ 75
<i>Stereo</i>			\$ 150
5. Books; pictures and other art objects; antiques; stamp, coin, record, tape, compact disc, and other collections or collectibles. [x] NONE			
6. Wearing apparel. <i>Miscellaneous items no one item exceeding \$200 in value</i>			\$ 600
7. Furs and jewelry. [x] NONE			
8. Firearms and sports, photographic, and other hobby equipment. [x] NONE			
9. Interests in insurance policies. [x] NONE			
10. Annuities. [x] NONE			

SCHEDULE B - PERSONAL PROPERTY
(Continuation Sheet)

Description of Property	Location	H	Market Value
		W	of Debtor's
		J	Interest
		C	Before Claim
11. Interests in IRA, ERISA, Keogh, or other pension or profit sharing plans. [x] NONE			
12. Stock and interests in incorporated and unincorporated businesses. [x] NONE			
13. Interests in partnerships or joint ventures. [x] NONE			
14. Government and corporate bonds and other negotiable and non-negotiable instruments. [x] NONE			
15. Accounts receivable. [x] NONE			
16. Alimony, maintenance, support, and property settlements, to which the debtor is or may be entitled. [x] NONE			
17. Other liquidated debts owing debtor including tax refunds. [x] NONE			
18. Equitable and future interests, life estates, and rights of power exercisable for the benefit of the debtor other than those listed in Schedule of Real Property. [x] NONE			
19. Contingent and non-contingent interests in estate of a decedent, death benefit plan, life insurance policy, or trust. [x] NONE			
20. Other contingent and unliquidated claims of every nature, including tax refunds, counter claims of the debtor, and the rights to setoff claims. [x] NONE			
21. Patents, copyrights, and other intellectual property. [x] NONE			
22. Licenses, franchises, and other general intangibles. [x] NONE			

SCHEDULE B - PERSONAL PROPERTY
(Continuation Sheet)

Description of Property	Location	H W J C	Market Value of Debtor's Interest Before Claim
23. Automobiles, trucks, trailers, and other vehicles and accessories. 1978 J20 Jeep Pickup			\$ 1,000
24. Boats, motors, and accessories. [x] NONE			
25. Aircraft and accessories. [x] NONE			
26. Office equipment, furnishings, and supplies. [x] NONE			
27. Machinery, fixtures, equipment, and supplies used in business. Power tools: Sawzall (2)			\$ 100
Power tools: Skillsaw (2)			\$ 100
Power tools: Drills (2)			\$ 70
Power tools: Jackhammer			\$ 150
Handtools: Miscellaneous items no one in excess of \$200			\$ 500
14" chop saw			\$ 200
10" table saw			\$ 150
Emglo 2HP Compressor			\$ 300
Emglo 1.5 HP Compressor			\$ 150
28. Inventory. [x] NONE			
29. Animals. [x] NONE			
30. Crops - growing or harvested. [x] NONE			
31. Farming equipment and implements. [x] NONE			

In re: Sereni, Daniel Robert / Debtor Case No.

SCHEDULE B - PERSONAL PROPERTY
(Continuation Sheet)

Description of Property	Location	H	Market Value
		W	of Debtor's
		J	Interest
		C	Before Claim

32. Farm supplies, chemicals, and feed.
 NONE

33. Other personal property of any kind not already listed.
 NONE

Total \$ 3,770

SCHEDULE C - PROPERTY CLAIMED EXEMPT

Debtor elects the exemptions to which debtor is entitled under:
 11 USC 522(b)(1): Exemptions provided in 11 USC 522(d).

Description of Property	Specify Law Providing Each Exemption	Value of Claimed Exemption	Current Value of Property w/o Deducting Exemption
<u>Household goods and furnishings</u>			
Videocassette recorder	11 USC 522(d)(3)	\$ 75	\$ 75
Videocassette recorder	11 USC 522(d)(3)	\$ 50	\$ 50
Television - Sharp	11 USC 522(d)(3)	\$ 100	\$ 100
Television - Mitsubishi	11 USC 522(d)(3)	\$ 75	\$ 75
Stereo	11 USC 522(d)(3)	\$ 150	\$ 150
<u>Wearing apparel</u>			
Miscellaneous items no one item exceeding \$200 in value	11 USC 522(d)(3)	500	\$ 600
<u>Automobiles, trucks, trailers, etc, and accessories</u>			
1978 J20 Jeep Pickup	11 USC 522(d)(2)	\$ 1,000	\$ 1,000
<u>Machinery, fixtures, equipment, and supplies</u>			
Power tools: Sawzall (2)	11 USC 522(d)(5)	\$ 100	\$ 100
Power tools: Skillsaw (2)	11 USC 522(d)(5)	\$ 100	\$ 100
Power tools: Drills (2)	11 USC 522(d)(5)	\$ 70	\$ 70
Power tools: Jackhammer	11 USC 522(d)(5)	\$ 150	\$ 150
Handtools: Miscellaneous items no one in excess of \$200	11 USC 522(d)(5)	\$ 500	\$ 500

In re: Sereni, Daniel Robert

/ Debtor

Case No.

SCHEDULE C - PROPERTY CLAIMED EXEMPT

(Continuation Sheet)

Description of Property	Specify Law Providing Each Exemption	Value of Claimed Exemption	Current Value of Property w/o Deducting Exemption
14" chop saw	11 USC 522(d)(5)	\$ 200	\$ 200
10" table saw	11 USC 522(d)(5)	\$ 150	\$ 150
Emglo 2HP Compressor	11 USC 522(d)(5)	\$ 300	\$ 300
Emglo 1.5 HP Compressor	11 USC 522(d)(5)	\$ 150	\$ 150

In re: Sereni, Daniel Robert / Debtor Case No.

SCHEDULE D - CREDITORS HOLDING SECURED CLAIMS

Creditor Name and Address	Date, Nature of Lien, Description & Value	Claim Amount	Unsecured Portion and Notes*
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Debtor has no creditors holding secured claims to report on this Schedule D.

No continuation sheets attached

SCHEDULE E - CREDITORS HOLDING UNSECURED PRIORITY CLAIMS

- Debtor has no creditors holding unsecured priority claims to report on this Schedule E.

TYPES OF PRIORITY

Extensions of credit in an involuntary case

Claims arising in the ordinary course of the debtor's business or financial affairs after the commencement of the case but before the earlier of the appointment of a trustee or the order for relief. 11 U.S.C. S507(a)(2).

Wages, salaries, and commissions

Wages, salaries, and commissions, including vacation, severance, and sick leave pay owing to employees, up to a maximum of \$2000 per employee, earned within 90 days immediately preceding the filing of the original petition, or the cessation of business, whichever occurred first, to the extent provided in 11 U.S.C. S507(a)(3).

Contributions to employee benefit plans

Money owed to employee benefit plans for services rendered within 180 days immediately preceding the filing of the original petition, or the cessation of business, whichever occurred first, to the extent provided in 11 U.S.C. S507(a)(4).

Certain farmers and fishermen

Claims of certain farmers and fishermen, up to a maximum of \$2000 per farmer or fisherman, against the debtor, as provided in 11 U.S.C. S507(a)(5).

Deposits by individuals

Claims of individual up to a maximum of \$900 for deposits for the purchase, lease, or rental of property or services for personal, family, or household use, that were not delivered or provided. 11 U.S.C. S507(a)(6).

Taxes and Other Certain Debts Owed to Governmental Units

Taxes, customs duties, and penalties owing to federal, state, and local governmental units as set forth in 11 U.S.C. S507(a)(7).

Commitments to Maintain the Capital of an Insured Depository Institution

Claims based on commitments to the FDIC, RTC, Director of the Office of Thrift Supervision, Comptroller of the Currency, or Board of Governors of the Federal Reserve System, or their predecessors or successors, to maintain the capital of an insured depository institution. 11 U.S.C. S507(a)(8).

In re: Sereni, Daniel Robert

/ Debtor

Case No.

SCHEDULE E - CREDITORS HOLDING UNSECURED PRIORITY CLAIMS

PRIORITY TYPE: Taxes and Certain Other debts Owed to Governmental Units

Creditor Name and Address	Claim Date and Consideration	Claim Amount	Amount with Priority and Notes*
1. Account No. 569-82-8231 Special Procedures - IRS P.O. Box 250, STOP 5022-AUS Austin, TX 78767	pre1992 Federal Withholding Tax	\$ 20,000.00	\$ 20,000.00 *Has Codebtor

Ed Sabrack Representing: Special Procedures - IRS
101 Lucas Valley Rd. -Room 300
San Rafael, CA 94903

In re: Sereni, Daniel Robert

/ Debtor

Case No.

SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS

Creditor Name and Address	Date Claim was Incurred Consideration for Claim	Claim Amount and Notes*
1. Account No. Acacia Glass Co. 1525 Haight St. San Francisco, CA 94117	Miscellaneous purchases	\$ 350.00
2. Account No. American Olean Tile 8250 Industrial Ave. Roseville, CA 95678 Michael Hutch Representing: American Olean Tile	Miscellaneous purchases	\$ 2,005.88
3. Account No. Amesos Plumbing 1525 Francisco Blvd., Suite 8 San Rafael, CA 94901	Miscellaneous purchases	\$ 2,538.00
4. Account No. Ashby Lumber Co. 824 Ashby Ave. Berkerly, CA 94710	Miscellaneous purchases	\$ 1,130.88
5. Account No. Athena Electrical 106 Harvard St. San Francisco, CA 94134	Miscellaneous purchases	\$ 550.00
6. Account No. B.F. Hovis Drywall P.O. Box 3239 San Rafael, CA 94912 Bud Hovis Representing: B.F. Hovis Drywall	Miscellaneous purchases	\$ 5,460.38
7. Account No. California Shower Door 1795 Yosemite San Rafael, CA 94124	Miscellaneous purchases	\$ 1,384.65
8. Account No. Carew Stucco 2566 39th Ave. San Francisco, CA 94116	Miscellaneous purchases	\$ 7,550.00
4 continuation sheets attached	Subtotal:	\$ 20,969.79

SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS
(Continuation Sheet)

Creditor Name and Address	Date Claim was Incurred Consideration for Claim	Claim Amount and Notes*
9. Account No. Castro Bros. Hrdwd. (Tan Oak) 1595 E. Francisco Blvd. San Rafael, CA 94901	Miscellaneous purchases	\$ 1,927.37
10. Account No. 2155117332 Chase Advantage P.O. Box 35202 Wilmington, DE 19886-0428	Credit card purchases	\$ 2,500.00
11. Account No. 5472330107177866 Citibank P.O. Box 6125 Sioux Falls, SD 57117-6125	Credit card purchases	\$ 4,000.00
12. Account No. City Electric Supply P.O. Box 6171 Novato, CA 94948	Miscellaneous purchases	\$ 1,500.00
13. Account No. Contract Flooring 1893 Centro West Tiburon, CA94920	Miscellaneous purchases	\$ 1,956.50
Ron Gunderson Representing: Contract Flooring		
14. Account No. Contractors Labor Pool 2560 9th St. Berkely, CA 94710	Miscellaneous services	\$ 13,691.18
15. Account No. Culley Electric P.O. Box 5421 Mill Valley, CA 94942	Miscellaneous purchases	\$ 1,500.00
16. Account No. De Berg Painting 3818 Quigley St. Oakland, CA 94619	Miscellaneous purchases	\$ 3,670.00

SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS
(Continuation Sheet)

Creditor Name and Address	Date Claim was Incurred Consideration for Claim	Claim Amount and Notes*
17. Account No. Dotto Glass, Inc. 74 Mitchell Blvd. San Rafael, CA 94903	Miscellaneous purchases	\$ 3,530.19
Ernie Lyons Representing: Dotto Glass, Inc.		
18. Account No. El Cerrito Lumber Co. 10812 San Pablo Ave. El Cerrito, CA 94530	Miscellaneous purchases	\$ 8,641.25
19. Account No. Elite Tile 2740 N. Main St. Walnut Creek, CA 94596	Miscellaneous purchases	\$ 1,500.00
20. Account No. Envirotherm P.O. Box 15097 San Rafael, CA 94915	Miscellaneous purchases	\$ 1,780.90
21. Account No. European Hardwood 827 Sheridan St. Vallejo, CA 94590	Miscellaneous purchases	\$ 2,790.00
22. Account No. Fourth Street Woodworking 1266 45th St. Emeryville, CA 94608	Miscellaneous purchases	\$ 3,871.00
23. Account No. G.B. International 3476 Diablo Ave. Hayward, CA 94545	Miscellaneous purchases	\$ 1,500.00
24. Account No. Gigante Painting 159 Oakview Road Pleasant Hill, CA 94523	Miscellaneous services	\$ 6,500.00

In re: Sereni, Daniel Robert

/ Debtor

Case No.

SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS
(Continuation Sheet)

Creditor Name and Address	Date Claim was Incurred Consideration for Claim	Claim Amount and Notes*
25. Account No. Gillion Lumber Co. 3931 Gillion St. San Francisco, CA 94118	Miscellaneous purchases	\$ 635.28
26. Account No. Golden State Lumber P.O. Box 3239 San Rafael, CA 94912	Miscellaneous purchases	\$ 2,252.00
27. Account No. Gomez Iron Works 1195 Hillside Blvd. Daly City, CA 94014	Miscellaneous services	\$ 665.00
28. Account No. GTE Mobilenet P.O. Box 298010 Houston, TX 77298	Cellular phone service	\$ 804.91
29. Account No. Jackson's Hardware P.O. Box 2428 San Rafael, CA 94912	Miscellaneous purchases	\$ 3,376.63
Jim Pozzi Representing: Jackson's Hardware		
30. Account No. Lingruen Associates 1555 Yosemite Ave., #5 San Francisco, CA 94124	Miscellaneous purchases	\$ 200.00
31. Account No. Marble Systems, Inc. 23384 Foley Hayward, CA 94545	Miscellaneous purchases	\$ 1,500.00
32. Account No. Mill Valley Lumber Co. 129 Miller Ave. Mill Valley, CA 94941	Miscellaneous purchases	\$ 3,492.00

SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS
(Continuation Sheet)

Creditor Name and Address	Date Claim was Incurred Consideration for Claim	Claim Amount and Notes*
33. Account No. Piedmont Lumber 395 Taylor Blvd., Suite 225 Pleasant Hill, CA 94523	Miscellaneous purchases	\$ 1,454.17
34. Account No. Rainbow Plastics 21 Commercial Blvd. Novato, CA 94949	Miscellaneous purchases	\$ 2,448.17
35. Account No. RMC Lonestar 6601 Knoll Center Parkway Pleasanton, CA 94566	Miscellaneous purchases	\$ 553.64
36. Account No. Steam on Wheels 3100 Oceano, Suite 200 Lafayette, CA 94549	Miscellaneous purchases	\$ 485.00
Bob Van Gelder Representing: Steam on Wheels		
37. Account No. Sunset Debris 92 Tunel Ave. San Francisco, CA 94134	Miscellaneous purchases	\$ 1,860.00
38. Account No. Traham Bros. 60 A Belvedere St. San Rafael, CA 94901	Miscellaneous purchases	\$ 7,769.00
39. Account No. Unocal Oil Co. P.O. Box 52202 Phoenix, AZ 85072	Credit card purchases	\$ 1,393.91

In re: Sereni, Daniel Robert / Debtor Case No. .

SCHEDULE G - EXECUTORY CONTRACTS AND UNEXPIRED LEASES

Name and Address of Other Parties to Instrument	Notes of Contract or Lease and Debtor's Interest
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No executory contracts or unexpired leases.

In re: *Sereni, Daniel Robert*

/ Debtor

Case No.

SCHEDULE H - CODEBTORS

Name and Address
of Codebtor

Name and Address
of Creditor

Matthew Richey
1206 Pine St.
Silverton, OR 97381

Special Procedures - IRS
P.O. Box 250, STOP 5022-AUS
Austin, TX 78767

SCHEDULE I-CURRENT INCOME OF INDIVIDUAL DEBTOR(S)

DEBTOR'S MARITAL STATUS: *Divorced*

DEPENDENTS OF DEBTOR AND SPOUSE:

<u>NAME</u>	<u>AGE</u>	<u>RELATIONSHIP</u>
Alexis Sereni	9	Daughter

EMPLOYMENT:

	<u>DEBTOR</u>	<u>SPOUSE</u>
Occupation:	Manager	
Name of Employer:	Falcon Realty Corp.	
How Long Employed:	20 months	
Employer Address:	Route 4 Box 851A Edinburg, TX 78539	

	<u>DEBTOR</u>	<u>SPOUSE</u>
INCOME:		
Current monthly gross wages, salary, and commissions	\$ 1,350.00	\$
Estimated monthly overtime	\$ 0.00	\$
	<u>SUBTOTAL</u>	<u>\$ 1,350.00</u>
LESS PAYROLL DEDUCTIONS		
a. Payroll taxes and social security	\$ 350.00	\$
b. Insurance	\$ 0.00	\$
c. Union dues	\$ 0.00	\$
d. Other:	\$ 0.00	\$
	<u>SUBTOTAL OF PAYROLL DEDUCTIONS</u>	<u>\$ 350.00</u>
	<u>TOTAL NET MONTHLY TAKE HOME PAY</u>	<u>\$ 1,000.00</u>

Regular income from operation of business or profession or farm (attach detailed statement)	\$ 0.00	\$
Income from real property	\$ 0.00	\$
Interest and dividends	\$ 0.00	\$
Alimony, maintenance or support payments payable to the debtor for the debtor's use or that of dependents listed above.	\$ 0.00	\$
Social security or other government assistance	\$ 0.00	\$
Pension or retirement income	\$ 0.00	\$
Other monthly income	\$ 0.00	\$
	<u>TOTAL MONTHLY INCOME</u>	<u>\$ 1,000.00</u>
TOTAL COMBINED MONTHLY INCOME	\$ 1,000.00	

Describe any increase or decrease of more than 10% in any of the above categories anticipated to occur within the year following the filing of this document:

NONE

SCHEDULE J-CURRENT EXPENDITURES OF INDIVIDUAL DEBTOR(S)

[] Check this box if a joint petition is filed and debtor's spouse maintains a separate household. Complete a separate schedule of expenditures labeled "Spouse".

Rent or home mortgage payment (include lot rented for mobile home)	\$	0.00
Are real estate taxes included? Yes ___ No <u>x</u>		
Is property insurance included? Yes ___ No <u>x</u>		
Utilities: Electricity and heating fuel	\$	0.00
Water and sewer	\$	0.00
Telephone	\$	0.00
Other	\$	0.00
Home maintenance (repairs and upkeep)	\$	0.00
Food	\$	0.00
Clothing	\$	0.00
Laundry and Dry cleaning	\$	0.00
Medical and Dental expenses	\$	0.00
Transportation (not including car payments)	\$	0.00
Recreation, clubs, and entertainment, newspaper, magazines, etc.	\$	0.00
Charitable contributions	\$	0.00
Insurance (not deducted from wages or included in home mortgage payments)		
Homeowner's or renter's	\$	0.00
Life	\$	0.00
Health	\$	0.00
Auto	\$	0.00
Other	\$	0.00
Taxes (not deducted from wages or included in home mortgages)	\$	0.00
Installment payments:		
Auto	\$	0.00
Other	\$	0.00
Alimony, maintenance, and support paid to others	\$	0.00
Payments for support of additional dependents not living at your home	\$	0.00
Regular expenses from operation of business, profession, or farm (attach detailed statement)	\$	0.00
Other	\$	0.00
TOTAL MONTHLY EXPENSES (Report also on Summary of Schedules)	\$	<u>0.00</u>

In re: Sereni, Daniel Robert / Debtor Case No.

DECLARATION UNDER PENALTY OF PERJURY BY INDIVIDUAL DEBTOR

I declare under penalty of perjury that I have read the foregoing Summary and Schedules, consisting of 20 sheets, and that they are true and correct to the best of my knowledge, information, and belief.

Date 8/18/94 Signature Dal Sereni
Sereni, Daniel Robert, Debtor

Penalty for making a false statement or concealing property. Fine of up to \$500,000 or imprisonment for up to 5 years or both. 18 U.S.C. SS 152 and 3571.

UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
MCALLEN DIVISION

In re Sereni, Daniel Robert

Case No.
Chapter 7
Debtor

Attorney for Debtor: Kelly K. McKinnis #10266

STATEMENT OF FINANCIAL AFFAIRS

1. Income from Employment or Operation of Business.

State the gross amount of income the debtor has received from employment, trade, or profession, or from operation of the debtor's business from the beginning of this calendar year to the date this case was commenced. State also the gross amounts received during the two years immediately preceding this case calendar year.

Income, year to date: 7,000 KKM

Last year: 10000

Year before: 0

Source(s): Compensation from working for Falcon Realty Sales Corp.

2. Income other than from Employment or Operation of Business.

State the amount of income received by the debtor other than from employment, trade, profession, or operation of the debtor's business during the two years immediately preceding the commencement of this case.

None

3. Payments to Creditors.

a. List all payments on loans, installments, purchases of goods or services, and other debts, aggregating more than \$600 to any creditor, made within 90 days immediately preceding the commencement of this case.

None

b. List all payments made within one year immediately preceding the commencement of this case to or for the benefit of creditors who are or were insiders.

None

4. Suits and Administrative Proceedings, Executions, Garnishments and Attachments.

a. List all suits and administrative proceedings to which the debtor is or was a party within one year immediately preceding the filing of this bankruptcy case.

Case title: *American Arbitration*
Case #: *Re: 74-110-0049-91*
Court/Agency location: *San Francisco, CA*
Nature of proceeding: *Arbitration on construction dispute*
Suit status: *Suspended*

b. Describe all property that has been attached, garnished or seized under any legal or equitable process within one year immediately preceding the commencement of this case.

None

5. Repossessions, Foreclosures and Returns.

List all property that has been repossessed by a creditor, sold at a foreclosure sale, transferred through a deed in lieu of foreclosure or returned to the seller, within one year immediately preceding the commencement of this case.

None

6. Assignments and Receiverships.

a. Describe any assignment of property for the benefit of creditors made within 120 days immediately preceding the commencement of this case.

None

b. List all property which has been in the hands of a custodian, receiver, or court-appointed official within one year immediately preceding the commencement of this case.

None

7. Gifts.

List all gifts or charitable contributions made within one year immediately preceding the commencement of this case except ordinary and usual gifts to family members aggregating less than \$200 in value per individual family member and charitable contributions aggregating less than \$100 per recipient.

None

8. Losses.

List all losses from fire, theft, other casualty or gambling within one year immediately preceding the commencement of this case or since the commencement of this case.

None

9. Payments Related to Debt Counseling or Bankruptcy.

List all payments made or property transferred by or on behalf of the debtor to any persons, including attorneys, for consultation concerning debt consolidation, relief under the bankruptcy law or preparation of a petition in bankruptcy within one year immediately preceding the commencement of this case.

None

10. Other Transfers.

List all other property, other than property transferred in the ordinary course of the business or financial affairs of the debtor, transferred either absolutely or as a security within one year immediately preceding the commencement of this case.

None

11. Closed Financial Accounts.

List all financial accounts and instruments held in the name of the debtor or for the benefit of the debtor which were closed, sold, or otherwise transferred within one year immediately preceding the commencement of this case. Include checking, savings, or other financial accounts, certificates of deposit, or other instruments; shares and share accounts held in banks, credit unions, pension funds, cooperatives, associations, brokerage houses and other financial institutions.

None

12. Safe Deposit Boxes.

List each safe deposit or other box or depository in which the debtor has or had securities, cash, or other valuables within one year immediately preceding the commencement of this case.

None

13. Setoffs.

List all setoffs made by any creditor, including a bank, against a debt or deposit of the debtor within 90 days preceding the commencement of this case.

None

14. Property held for Another Person.

List all property owned by another person that the debtor holds or controls.

None

15. Prior Address of Debtor.

If the debtor has moved within the two years immediately preceding the commencement of this case, list all premises which the debtor occupied during that period and vacated prior to the commencement of this case.

None

16. Nature, Location and Name of Business.

a. If the debtor is an individual, list the names and addresses of all businesses in which the debtor was an officer, director, partner, or managing executive of a corporation, partnership, sole proprietorship, or was self-employed professional within the two years immediately preceding the commencement of this case, or in which the debtor owned 5 percent or more of the voting or equity securities within the two years immediately preceding the commencement of this case.

b. If the debtor is a partnership, list the names and addresses of all businesses in which the debtor was a partner or owned 5 percent or more of the voting securities, within two years immediately preceding the commencement of this case.

c. If the debtor is a corporation, list the names and addresses of all businesses in which the debtor was a partner or owned 5 percent or more of the voting securities within two years immediately preceding the commencement of this case.

Debtor is: Individual/Joint.

Business: *Bay Area Contractors*

Address: *122 Indian Hills Drive, Novato, CA 94949*

Nature of business: *Construction general partnership*

Date of operation: *1987-1990*

Business: *Pacific Coast Builders*

Address: *122 Indian Hills Drive, Novato, CA 94949*

Nature of business: *Construction general partnership*

Date of operation: *1990-1991*

17. Books, records and financial statements.

a. List all bookkeepers and accountants who within the six years immediately preceding the filing of this bankruptcy case kept or supervised keeping of books of account and records of the debtor.

Name: *Bill Archer*
Address: *1000 Fourth St., Suite 880, San Rafael, CA 94901*
Dates: *1988, 1989*

Name: *Juan Pena*
Address: *3421 N. 23rd, McAllen, TX 78501*
Dates: *1992 to present*

b. List all firms or individuals who within the two years immediately preceding the filing of this bankruptcy case have audited the books of account and records, or prepared a financial statement of the debtor.

None

c. List all firms or individuals who at the time of the commencement of this case were in possession of the books of account and records of the debtor. If any of the books of account and records are not available, explain.

None

d. List all financial institutions, creditors and other parties, including mercantile and trade agencies, to whom a financial statement was issued within two years immediately preceding the commencement of this case by the debtor.

None

18. Inventories.

a. List the dates of the last two inventories taken of your property, the name of the person who supervised the taking of each inventory, and the dollar amount and basis of each inventory.

None

b. List the name and address of the person having possession of the records of each of the two inventories reported in a., above.

None

19. Current Partners, Officers, Directors and Shareholders.

a. If the debtor is a partnership, list the nature and percentage of partnership interest of each member of the partnership.

None

b. If the debtor is a corporation, list all officers and directors of the corporation, and each stockholder who directly or indirectly owns, controls, or holds 5 percent or more of the voting securities of the corporation.

None

20. Former partners, officers, directors and shareholders.

a. If the debtor is a partnership, list each member who withdrew from the partnership within one year immediately preceding the commencement of this case.

None

b. If the debtor is a corporation, list all officers, or directors whose relationship with the corporation terminated within one year immediately preceding the commencement of this case.

None

21. Withdrawals from a Partnership or Distributions by a Corporation.

If the debtor is a partnership or corporation, list all withdrawals or distributions credited or given to an insider, including compensation in any form, bonuses, loans, stock redemptions, options exercised and any other prerequisite during one year immediately preceding the commencement of this case.

[X] None

DECLARATION UNDER PENALTY OF PERJURY BY INDIVIDUAL DEBTOR

I declare under penalty of perjury that I have read the answers contained in the foregoing Statement of Financial Affairs and any attachments thereto and that they are true and correct.

Date 8/18/94 Signature *Daniel Robert Sereni*
Sereni, Daniel Robert, Debtor

Penalty for making a false statement or concealing property. Fine of up to \$500,000 or imprisonment for up to 5 years or both. 18 U.S.C. SS 152 and 3571.

UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
MCALLEN DIVISION

In re Sereni, Daniel Robert

Case No.
Chapter 7
Debtor

Attorney for Debtor: Kelly K. McKinnis #10266

CHAPTER 7 INDIVIDUAL DEBTOR'S STATEMENT OF INTENTION

1. I Sereni, Daniel Robert, the debtor, have filed a schedule of assets and liabilities which includes consumer debts secured by property of the estate.

2. My intention with respect to the property of the estate which secures those consumer debts is as follows:

a. Property to be Surrendered

<u>Description of Property</u>	<u>Creditor's Name</u>
NONE	

b. Property to be Retained

<u>Description of Property</u>	<u>Creditor's Name</u>	<u>Intention</u>
NONE		

3. I understand that 521(2)(B) of the Bankruptcy Code requires that I perform the above stated intentions within 45 days of the filing of this statement with the court, or within such additional time as the court, for cause, within such 45-day period fixes.



Debtor: Sereni, Daniel Robert

Date:

KELLY K. MCKINNIS Attorney At Law

FILED

95 MAR -7 PH 2:37

1630 N. 10th
McAllen, Texas 78501
(210) 686-7039

UNITED STATES
BANKRUPTCY COURT

March 06, 1995

Bankruptcy Filing Clerk
113 Wilson Plaza North
615 Leopard
Corpus Christi, Texas 78476

Re: In re Daniel Robert Sereni
Bankruptcy Case No. 94-21973-M-7

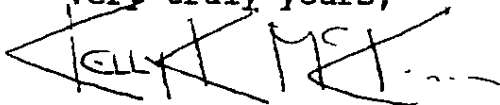
Dear Clerk:

Enclosed please find an original and two originals of Proof of Claim Filed By Debtor. The claim is being filed on behalf of the Internal Revenue Service.

Please date stamp these documents upon receipt and return the extra copy to me in the enclosed self-addressed stamped envelope.

Thank you for your service.

Very truly yours,



Kelly K. McKinnis
KKM/mm

cc: Special Procedures Staff, IRS
Chief, Special Procedures
District Director, IRS
Secretary of the United States Treasury
The Honorable Janet Reno
Antonio Villeda, Trustee

VIA FEDERAL EXPRESS

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
McALLEN DIVISION

FILED

95 MAR -7 PM 2:32

IN RE	\$	BANKRUPTCY COURT
	\$	
SERENI, DANIEL ROBERT F/D/B/A	\$	
BAY AREA CONTRACTORS, A GENERAL	\$	
PARTNERSHIP; F/D/B/A PACIFIC	\$	94-21973-M-7
COAST BUILDERS, A GENERAL	\$	
PARTNERSHIP,	\$	
	\$	
DEBTOR	\$	CHAPTER 7

PROOF OF CLAIM FILED BY DEBTOR

1. The undersigned, who is filing this proof of claim, is the Debtor DANIEL ROBERT SERENI, who is filing this Proof of Claim on behalf of INTERNAL REVENUE SERVICE, P.O. Box 250, STOP 5022-AUS, Austin, Texas 78767.

2. This claim is filed in the name of INTERNAL REVENUE SERVICE, P.O. Box 250, STOP 5022-AUS, Austin, Texas 78767, and asserts a claim of ONE DOLLAR (\$1.00).

3. The ground for this alleged liability is as follows: Debtor formerly was a partner in BAY AREA CONTRACTORS, A GENERAL PARTNERSHIP, and PACIFIC COAST BUILDERS, A GENERAL PARTNERSHIP. Debtors social security number is 569-82-8231, and the federal tax numbers of the partnerships were 68-0140535 and 68-021694. Said partnerships had a withholding tax delinquency of approximately \$20,000.00. Debtor is aware that INTERNAL REVENUE SERVICE went after the main partner, Matthew Richey, and INTERNAL REVENUE SERVICE has not followed up to seek collection for Debtor. Matthew Richey filed bankruptcy in Oregon Bankruptcy Court on 12-12-90 in case number 390-367-39-H13 (Heis, J.). Because of the inactivity

of the INTERNAL REVENUE SERVICE in seeking collection from Debtor, and based on the failure to timely file a proof of claim herein, Debtor on information and belief has concluded that INTERNAL REVENUE SERVICE may have collected the balance allegedly due from the other partner.

4. The claim consists of \$1.00, which is the taxes that remains unpaid.

5. There is no writing in the actual or constructive possession of the Debtor on which this claim is based is attached.

6. No judgment has been rendered on this claim.

7. The amount of all payments on this claim has been credited and deducted for the purpose of making this claim.

8. This claim is not subject to the setoff or counterclaim.

9. The claim is not secured.

10. The claim is a priority claim.

Respectfully submitted,



DANIEL SERENI
Route 4, Box 851A
Edinburg, Texas 78539
Tel. (210)381-0025

DEBTOR

Penalty For Presenting Fraudulent Claim: Fine of not more than \$5,000.00 or imprisonment for not more than 5 years or both -- Title 18, U.S.C., §152.

CERTIFICATE OF SERVICE

I certify that on the 1st day of ~~February, 1993~~ ^{MARCH, 1995}, a true and

correct copy of the foregoing was served upon the following:

Special Procedures Staff
INTERNAL REVENUE SERVICE
P.O. Box 250, STOP 5022-AUS
Austin, Texas 78767

Chief, Special Procedures
INTERNAL REVENUE SERVICE
P.O. Box 250, STOP 5022-AUS
Austin, Texas 78767

District Director
INTERNAL REVENUE SERVICE
Austin, Texas 73301

Secretary of the United States Treasury
1500 Pennsylvania Ave. N.W.
Washington, D.C. 20220

The Honorable Janet Reno
Attorney General of the United States
Department of Justice
Tenth & Constitution Ave. N.W.
Washington, D.C. 20530

Antonio Villeda, Trustee
801 Nolana, Suite 324
McAllen, Texas 78504

Kelly K. McKinnis
Attorney for Debtor
1630 N. 10th
McAllen, Texas 78501



Daniel Sereni

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
McALLEN DIVISION

FILED

95 MAR -7 PM 2:32

IN RE

SERENI, DANIEL ROBERT F/D/B/A
BAY AREA CONTRACTORS, A GENERAL
PARTNERSHIP; F/D/B/A PACIFIC
COAST BUILDERS, A GENERAL
PARTNERSHIP,

DEBTOR

§
§
§
§
§
§
§
§
§
§

UNITED STATES
BANKRUPTCY COURT

94-21973-M-7

CHAPTER 7

PROOF OF CLAIM FILED BY DEBTOR

1. The undersigned, who is filing this proof of claim, is the Debtor DANIEL ROBERT SERENI, who is filing this Proof of Claim on behalf of INTERNAL REVENUE SERVICE, P.O. Box 250, STOP 5022-AUS, Austin, Texas 78767.

2. This claim is filed in the name of INTERNAL REVENUE SERVICE, P.O. Box 250, STOP 5022-AUS, Austin, Texas 78767, and asserts a claim of ONE DOLLAR (\$1.00).

3. The ground for this alleged liability is as follows:
Debtor formerly was a partner in BAY AREA CONTRACTORS, A GENERAL PARTNERSHIP, and PACIFIC COAST BUILDERS, A GENERAL PARTNERSHIP. Debtors social security number is 569-82-8231, and the federal tax numbers of the partnerships were 68-0140535 and 68-021694. Said partnerships had a withholding tax delinquency of approximately \$20,000.00. Debtor is aware that INTERNAL REVENUE SERVICE went after the main partner, Matthew Richey, and INTERNAL REVENUE SERVICE has not followed up to seek collection for Debtor. Matthew Richey filed bankruptcy in Oregon Bankruptcy Court on 12-12-90 in case number 390-367-39-H13 (Heis, J.). Because of the inactivity

of the INTERNAL REVENUE SERVICE in seeking collection from Debtor, and based on the failure to timely file a proof of claim herein, Debtor on information and belief has concluded that INTERNAL REVENUE SERVICE may have collected the balance allegedly due from the other partner.

4. The claim consists of \$1.00, which is the taxes that remains unpaid.

5. There is no writing in the actual or constructive possession of the Debtor on which this claim is based is attached.

6. No judgment has been rendered on this claim.

7. The amount of all payments on this claim has been credited and deducted for the purpose of making this claim.

8. This claim is not subject to the setoff or counterclaim.

9. The claim is not secured.

10. The claim is a priority claim.

Respectfully submitted,



DANIEL SERENI
Route 4, Box 851A
Edinburg, Texas 78539
Tel. (210)381-0025

DEBTOR

Penalty For Presenting Fraudulent Claim: Fine of not more than \$5,000.00 or imprisonment for not more than 5 years or both -- Title 18, U.S.C., §152.

CERTIFICATE OF SERVICE

I certify that on the 6th day of ~~February, 1993~~ ^{MARCH, 1995}, a true and correct copy of the foregoing was served upon the following:

Special Procedures Staff
INTERNAL REVENUE SERVICE
P.O. Box 250, STOP 5022-AUS
Austin, Texas 78767

Chief, Special Procedures
INTERNAL REVENUE SERVICE
P.O. Box 250, STOP 5022-AUS
Austin, Texas 78767

District Director
INTERNAL REVENUE SERVICE
Austin, Texas 73301

Secretary of the United States Treasury
1500 Pennsylvania Ave. N.W.
Washington, D.C. 20220

The Honorable Janet Reno
Attorney General of the United States
Department of Justice
Tenth & Constitution Ave. N.W.
Washington, D.C. 20530

Antonio Villeda, Trustee
801 Nolana, Suite 324
McAllen, Texas 78504

Kelly K. McKinnis
Attorney for Debtor
1630 N. 10th
McAllen, Texas 78501



Daniel Sereni

KELLY K. MCKINNIS Attorney At Law

1630 N. 10th
McAllen, Texas 78501
(210) 686-7039

November 08, 1994

Bankruptcy Filing Clerk
113 Wilson Plaza North
615 Leopard
Corpus Christi, Texas 78476

Re: In re Daniel Robert Sereni
Bankruptcy Case No. 94-21973-M-7

Dear Clerk:

Enclosed please find an original and two copies of Amended Schedule F. Please date stamp these documents upon receipt and return the extra copy to me in the enclosed stamped self-addressed envelope.

Because the only change in the Amended Schedule F is the insertion of the year in which each debt was incurred, I am not enclosing a new creditors' disk.

Thank you for your service.

Very truly yours,



Kelly K. McKinnis
KKM/mm
Enclosures

United States District Court
Southern District of Texas
FILED

NOV 11 1994

Michael N. Milby, ^{AK} Clerk of Court

cc: Mr. Antonio Villeda, Trustee
(with enclosure)

VIA CERTIFIED MAIL NO. 2 419 854 863
RETURN RECEIPT REQUESTED

[Handwritten signature]

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS

RECEIPT OF CREDITORS LIST

CASE NUMBER _____

DEBTOR(S) NAME(S) Sereni, Daniel Robert

94-21973-M 7

FLOPPY DISKETTE _____

MATRIX _____

TOTAL NUMBER OF NOTICES TO BE SENT _____

United States Bankruptcy Court
Southern District of Texas
FILED

9 SEP 27 1994

Michael N. Milby, Clerk

EXHIBIT "R"

**FALCON REALTY SALES CO. INC
CHARTER NO. 00094349-0
FORMED FEBRUARY 1, 1960**

THE STATE OF TEXAS
COUNTY OF HIDALGO

APPROVED AND FILED IN THE OFFICE OF
THE SECRETARY OF STATE
THIS 19th DAY OF February 19 48
William E. Stapp
CHIEF CHARTER DIVISION

KNOW ALL MEN BY THESE PRESENTS: That we, Earl Pummill and Fern Pummill, of Austin, Travis County, Texas, and Janetta Pummill of Mission, Hidalgo County, Texas, all of whom are bonified residents of the State of Texas, under and by virtue of the laws of the State of Texas, do hereby form ourselves into a voluntary association under the terms and conditions hereinafter set forth, to-wit:

-1-

The name of this corporation is "PUMMILL DEVELOPMENT COMPANY."

-2-

This corporation is organized for the purpose of improving land situated within Water Control and Improvement District, Levee Improvement Districts and Drainage Districts and to that end may own, improve, subdivide or sell such lands in the same manner that individuals may do for the purposes included in the acts creating said districts.

-3-

The place where the business of this corporation is to be transacted in Mission, Hidalgo County, Texas, and its principal office and place of business is to be at Mission, in Hidalgo County, in the State of Texas, and its Post Office address is Mission, Texas.

-4-

The term for which it is to exist is fifty (50) years.

-5-

The number of Directors shall be not less than three, and the names and Post Office addresses of the appointees for the first year are:

R-1

<u>NAME</u>	<u>POST OFFICE ADDRESS</u>
Earl Puzmill	Austin, Texas
Fern Puzmill	Austin, Texas
Janetta Puzmill	Mission, Texas

-6-

The amount of the capital stock is One Thousand Dollars (\$1000.00) divided into ten (10) shares of One Hundred Dollars (\$100.00) par value, each, all of which stock has been subscribed and same has been paid in cash as per affidavit hereto attached.

IN TESTIMONY WHEREOF, We have hereunto subscribed our names, this the 17th day of February, A. D. 1948.

Earl Puzmill
Earl Puzmill

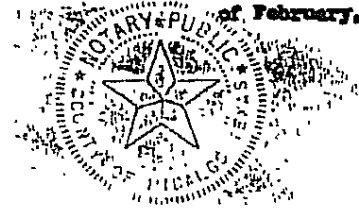
Fern Puzmill
Fern Puzmill

Janetta Puzmill
Janetta Puzmill

THE STATE OF TEXAS |
COUNTY OF HIDALGO |

BEFORE ME, the undersigned, a Notary Public within and for said County and State, on this day personally appeared Earl Puzmill, Fern Puzmill and Janetta Puzmill, known to me to be the persons whose names are subscribed to the foregoing instrument and who each acknowledged to me that they executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 17th day of February, A. D. 1948.



G.F. Dohrn
G.F. DOHRN
Notary Public in and for Hidalgo
County, Texas

a-2

STATE OF TEXAS
HIDALGO COUNTY

BEFORE ME, the undersigned authority, a Notary Public in and for said County and State, on this day personally appeared Earl Pummill, Fern Pummill and Janetta Pummill, each known to me, and who after being first duly sworn upon oath according to law, each says for himself:

That they are the identical persons who executed the Charter of "PUMMILL DEVELOPMENT COMPANY"; that the full amount of capital stock of said corporation has in good faith been subscribed, to-wit: the sum of One Thousand Dollars (\$1000.00), all of which has been fully paid in cash and the following are the names and post office addresses of the parties subscribing to the capital stock, to-wit:

<u>NAME</u>	<u>POST OFFICE ADDRESS</u>
Earl Pummill	Austin, Texas
Fern Pummill	Austin, Texas
Janetta Pummill	Mission, Texas

The amount subscribed and paid in cash by each is as follows:

<u>NAME</u>	<u>AMOUNT SUBSCRIBED</u>	<u>AMOUNT PAID</u>
Earl Pummill	\$400.00	\$400.00
Fern Pummill	\$100.00	\$100.00
Janetta Pummill	\$500.00	\$500.00

Earl Pummill
Earl Pummill

Fern Pummill
Fern Pummill

Janetta Pummill
Janetta Pummill

Subscribed and sworn to by the said respective parties, this the 17th day of February, A. D. 1948, to certify which, witness my hand and seal of office.



G.F. Dohrn
G.F. DOHRN
Notary Public in and for Hidalgo
County, Texas

A 3



The State of Texas
Secretary of State

I, KIRK R. MALLORY ^{Austin}, Secretary of State, of the State of Texas, do hereby certify that the foregoing is a true and correct copy of the charter of

PUMMILL DEVELOPMENT COMPANY

with the endorsement thereon, as the same now appears of record in the Department.

IN TESTIMONY WHEREOF, I have hereunto signed my name officially and caused to be impressed hereon the Seal of State at my office in the City of Austin, this

19th day of February, A. D. 1948

Handwritten signature of Kirk R. Mallory in cursive script.

Kirk R. Mallory
Secretary of State

CHECKED
TAB DIV.

CERTIFICATE OF DISSOLUTION

NO. 84349

CHARTER OF

FUMMILL DEVELOPMENT COMPANY

Mission, Texas

CERTIFICATE OF DISSOLUTION

FORFEITED BY COURT ORDER IN THE DISTRICT COURT
OF TRAVIS COUNTY, TEXAS, 126th JUDICIAL DISTRICT

FILED IN THE OFFICE OF THE SECRETARY
OF STATE

THIS 2nd DAY OF April, 19 53

HOWARD CARNEY
SECRETARY OF STATE

LEDGER NO. 53289

74349

NO. 94,488

THE STATE OF TEXAS

V.

PUMMILL DEVELOPMENT
COMPANY

|

IN THE DISTRICT COURT OF

TRAVIS COUNTY, TEXAS

126TH JUDICIAL DISTRICT

JUDGMENT

On this the 2 day of April, 1953, came on to be heard the above entitled and numbered cause, in which the State of Texas is Plaintiff and Pummill Development Company is defendant; and the parties having appeared by their attorneys, and the Court having considered the pleadings, the evidence and argument of counsel, is of the opinion and finds that the law and facts are with the plaintiff and against the defendant.

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED that the charter heretofore issued by the State of Texas to the defendant Pummill Development Company on the 19th day of February, 1948, be and the same is hereby forfeited and made null and void; that the plaintiff, the State of Texas, do have and recover of and from the defendant, Pummill Development Company, the sum of One Thousand Ninety-three & 96/100 (\$1,093.96) Dollars, with interest thereon at the rate of six per cent per annum and all costs in this behalf expended; that a first and prior lien is hereby foreclosed against all of the assets of said defendant, real, personal or mixed, situated in the State of Texas to secure the payment of the aforesaid money judgment, for all of which let execution issue.

[Faint, mostly illegible text from the reverse side of the document, including "DEPARTMENT OF COMMERCE" and "BUREAU OF LAND MANAGEMENT"]

COURT CLERK
J. H. HILL

[Signature]
Judge

X1

APPROVED AND FILED IN THE OFFICE OF
THE SECRETARY OF STATE
THIS 11 DAY OF September 1953

Ellis J. Morris
CLERK CHARTER DIVISION

THE STATE OF TEXAS §
 §
COUNTY OF HIDALGO §

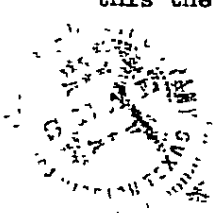
KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, at a meeting of the Stockholders of Pummill Development Company held at the offices of said company in Mission, Texas on the 15th day of August, 1953 in conformity with the By-Laws thereof, a majority of the Stockholders of said Corporation voted to change the name and place of business from Pummill Development Company to Falcon Realty Sales Co. and it's place of business from Mission, Texas to McAllen, Texas;

NOW, THEREFORE, we OTTO VEHLE,
IRA O. LAUDERDALE and HOWARD J. STAFFORD, JR.,

constituting all of the Board of Directors of said Corporation, in compliance with the action of the Stockholders aforesaid, do hereby amend the original Charter of said Corporation so as to change the name of such Corporation from Pummill Development Company to Falcon Realty Sales Co. and to change the place of business of such Corporation from Mission, Texas to McAllen, Texas; and we hereby certify such action to the Secretary of State of the State of Texas.

In Testimony Whereof, we hereunto subscribe our names this the 17th day of August, 1953.



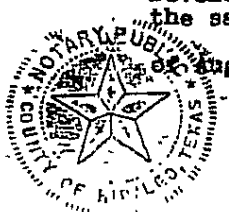
Otto Vehle
Ira O. Lauderdale
Howard J. Stafford

Constituting all of the Directors of said Company.

STATE OF TEXAS §
COUNTY OF HIDALGO §

BEFORE ME, the undersigned authority on this day personally appeared Otto Vehle, Ira O. Lauderdale, and Howard J. Stafford, Jr., known to me to be the persons whose names are subscribed to the foregoing instrument and to comprise the entire Board of Directors of Pummill Development Company, and each acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 17th day of August, 1953.



Lois B. Kopetzke LOIS B. KOPETZKE
Notary Public in and for Hidalgo
County, Texas

W. 1

THE STATE OF TEXAS §
COUNTY OF HIDALGO §

BEFORE ME, the undersigned authority on this day personally appeared OTTO VEHLER and HOWARD J. STAFFORD, JR., known to me who each being duly sworn on his oath did swear each for himself:

That we are the President and Secretary respectively of Pummill Development Company, a Texas Corporation, and as such officers do certify the following resolution is a true and correct copy of the original resolution passed by the unanimous vote of all of the Stockholders of such Corporation at a meeting held at the offices of the company on August 15th, 1953, and we further certify that the signatures on the attached Charter Amendment are the signatures of all of the Board of Directors of said company.

"RESOLVED, that the Charter of the Corporation be amended so as to change the name of the company from Pummill Development Company to Falcon Realty Sales Co. and further that the place of business be changed from Mission, Texas to McAllen, Texas, and that the Board of Directors be and are hereby authorized to take any and all steps necessary to carry into effect such changes."

We further certify that said resolution was adopted in conformity with the By-Laws of this Corporation and in accordance with the laws of the State of Texas.

Otto Vehler
President
Howard J. Stafford, Jr.
Secretary

SUBSCRIBED AND SWORN to before me by the said Otto Vehler and Howard J. Stafford, Jr. this 17th day of August, 1953.

Louis B. Korte, Jr. L.O. B. KORTZKI
Notary Public in and for Hidalgo
County, Texas

W

THE STATE OF TEXAS §
COUNTY OF HIDALGO §

BEFORE ME, the undersigned authority on this day personally appeared OTTO VEHL,
INA U. LAUDE DALE and
HOWARD J. STAFFORD, JR., known to me who
each being duly sworn on his oath did swear each for himself:

That we are the Board of Directors of Pummill Development Company, a Texas corporation, and as such officers do certify the following resolution is a true and correct copy of the original resolution passed by the unanimous vote of all of the Stockholders of such Corporation at a meeting held at the offices of the company on August 15th, 1953, and we further certify that the signatures on the attached Charter Amendment are the signatures of all of the Board of Directors of said company.

"RESOLVED, that the Charter of the Corporation be amended so as to change the name of the company from Pummill Development Company to Falcon Realty Sales Co. and further that the place of business be changed from Mission, Texas to McAllen, Texas."

We further certify that said resolution was adopted in conformity with the By-Laws of this Corporation and in accordance with the laws of the State of Texas.

Otto Vehl
Ina U. Laude Dale
Howard J. Stafford, Jr.

Constituting all of the Directors of said Company.

SUBSCRIBED AND SWORN to before me by the said
Otto Vehl, Ina U. Laude Dale
and Howard J. Stafford, Jr. THIS 17TH DAY OF AUGUST,
1953.

Francis B. Kopetzke Notary Public in and for Hidalgo County, Texas

W3



The State of Texas
Secretary of State

I, Howard Carney, Secretary of State, of the State of Texas, do hereby certify that the foregoing is a true and correct copy of **an amendment to the charter of**

PUMMILL DEVELOPMENT COMPANY

with the endorsement thereon, as the same now appears of record in this Department.

Dated, signed, and sealed at Austin, Texas this

11th day of September, A. D. 1953

Howard Carney
Secretary of State.

ENTERED ON LEDGER

CERTIFICATE OF DISSOLUTION

NO. 24349

CHARTER OF

FOURTELL DEVELOPMENT COMPANY

Wesley, Texas

CERTIFICATE OF DISSOLUTION

ORDER OF THE COURT ASIDE JUDGMENT OF FORECLOSURE OF CHARTER
IN CASE NO. 24349, DAVIS COUNTY, TEXAS, DISTRICT
COURT, 126th JUDICIAL DISTRICT

FILED IN THE OFFICE OF THE SECRETARY
OF STATE

THIS TENTH DAY OF September, 19 53

HOWARD GARNEY
SECRETARY OF STATE

LEDGER NO. 53029

NO. 94,448

THE STATE OF TEXAS

V

PUMMILL DEVELOPMENT COMPANY

IN THE DISTRICT COURT OF

TRAVIS COUNTY, TEXAS

126TH JUDICIAL DISTRICT

JUDGMENT AND ORDER DISMISSING SUIT

On this the 12 day of September, A. D. 1953, came on to be heard the above styled and numbered cause, on Bill of Review heretofore filed by Pummill Development Company, a Texas Corporation, in which said Bill of Review said Plaintiff prayed for the setting aside of judgment rendered by this court in cause number 94,448 on April 2, 1953, by which judgment the court decreed the forfeiture of the charter of said corporation by reason of its failure to pay franchise taxes due the State of Texas, and its failure to pay the Charter Revival Fee, assessed and owing by it to the State of Texas, by the terms of which judgment the State of Texas recovered the estimated sum of One Thousand Ninety-Three & 96/100 (\$1,093.96), Dollars together with its cost, by the terms of which judgment the foreclosure of the State's lien upon the assets of the corporation was adjudged, and Pummill Development Company, acting by and through its attorney Howard J. Stafford, Jr. have presented to the court its Bill of Review, and the State of Texas, after due service of process, appeared through its Attorney General, John Ben Shepperd, presented its answer to said Bill of Review; and

It appearing to the court from the evidence, that Pummill Development Company is entitled to the relief prayed for, and that it has fully paid the State of Texas the sum of money adjudged against it, interest and cost.

It is therefore ordered, adjudged, and decreed by the court that the judgment rendered against Pummill Development Company on April 2, 1953 in cause number 94,448, be, and the same is hereby set aside, dismissed and held for naught, and further that the charter of Pummill Development Company be, and is hereby reinstated

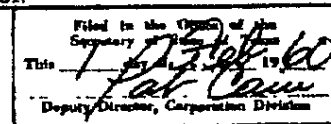
and adjudged to be in all respects valid and as fully effective as it was at the time of issuance; and further that said Pummill Development Company be, and is hereby vested with all rights and powers conferred on it by the original issuance of said charter.

It is further ordered and adjudged that the cost of this proceeding be, and the same is hereby adjudged against Pummill Development Company, for which let execution issue.


JUDGE

THE STATE OF TEXAS. }
COUNTY OF TRAVIS } I, O T MARTIN, JR., Clerk of the District Courts,
within and for the State and County aforesaid, do hereby certify that the foregoing
is a true and correct copy of July order in the above
styled and numbered cause at the same appearing of record in this office.
Given under my hand and seal of office at Travis Texas this the 14 day
of Sept, 1953.
By M. Hamilton Deputy. O T MARTIN, JR., Clerk, District
Courts, Travis County, Texas

ADOPTION OF PROVISIONS OF THE TEXAS
BUSINESS CORPORATION ACT BY FALCON
REALTY SALES CO.



Pursuant to the provisions of Article 9.14C of the Texas Business Corporation Act, the undersigned corporation submits the following for the purpose of adopting the provisions of the Texas Business Corporation Act:

1. The name of the corporation is FALCON REALTY SALES CO.
2. It is incorporated under the laws of the State of Texas.
3. Each resolution adopted by the corporation is as follows:
 - a. BE IT RESOLVED by the Board of Directors of Falcon Realty Sales Co. that the corporation voluntarily adopts the provisions of the Texas Business Corporation Act and directs that said proposed amendment be submitted to vote at a meeting of the shareholders of the corporation.
 - b. BE IT RESOLVED by the stockholders of Falcon Realty Sales Co. that the corporation voluntarily adopts the provisions of the Texas Business Corporation Act.
4. The date each resolution was adopted by the corporation was January 7, A. D. 1960.
5. The post office address of its initial registered office is P. O. Box 110, McAllen, Texas, with the office being located 5½ Miles North Ware Road, McAllen, Texas, and the name of its original initial registered agent at such address is J. T. CROSS.

DATED January 27th A. D. 1960.

FALCON REALTY SALES CO.

By H. J. Stafford, Jr. President

Lucia Gonzalez Secretary

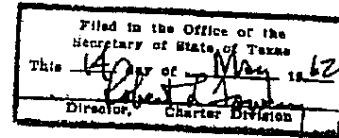
THE STATE OF TEXAS |

COUNTY OF HIDALGO |

I, Elva M. Garcia, a Notary Public do hereby certify that on this the 27th day of January, A. D. 1960, personally appeared before me H. J. STAFFORD, JR., who being by me first duly sworn declared that he is the President of FALCON REALTY SALES CO. of McAllen, Texas, that he signed the foregoing document as President of the corporation and that the statements therein contained are true.

(Elva M. Garcia) Elva M. Garcia
Notary Public in and for Hidalgo
County, Texas

ARTICLES OF AMENDMENT
TO THE
ARTICLES OF INCORPORATION
OF
FALCON REALTY SALES CO.



Pursuant to the provisions of Article 4.04 of the Texas Business Corporation Act, the undersigned corporation adopts the following Articles of Amendment to its Articles of Incorporation:

ARTICLE I.

The name of the corporation is FALCON REALTY SALES CO.

ARTICLE II.

The following amendments to the Articles of Incorporation were adopted by the shareholders of the corporation on May 10, 1962:

The first amendment changes the term of existence of the corporation.

The amendment alters or changes Article IV of the original or amended Articles of Incorporation, and Article IV is hereby amended to read as follows:

"The period of its duration is perpetual."

The second amendment changes the amount of capital stock which the corporation is authorized to issue from ten (10) shares at a par value of One Hundred Dollars (\$100.00) to five thousand (5,000) shares at a par value of One Hundred Dollars (\$100.00).

The amendment alters or changes Article VI of the original or amended Articles of Incorporation, and Article VI is hereby amended to read as follows:

"The aggregate number of shares which the corporation shall have authority to issue is five thousand (5,000) of the par

value of One Hundred Dollars (\$100.00) each.

ARTICLE III.

The number of shares of the corporation outstanding at the time of such adoption was ten (10), and the number of shares entitled to vote thereon was ten (10).

ARTICLE IV.

The number of shares voted for such amendments was ten (10), and the number of shares voted against such amendments was zero (0).

Dated this the 11th day of May, 1962.

FALCON REALTY SALES CO.

By: *H. L. Cross*
H. L. Cross, President

Sue Cockrell
Sue Cockrell, Secretary

THE STATE OF TEXAS, X
COUNTY OF HIDALGO. X

I, *Pearl T. Morrissette*, a Notary Public, do hereby certify that on this 11th day of May, 1962, personally appeared before me H. L. CROSS, who declared he is President of the corporation executing the foregoing document, and being first duly sworn, acknowledged that he signed the foregoing document in the capacity therein set forth and declared that the statements therein contained are true.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year before written.

Pearl T. Morrissette PEARL T. MORRISSETTE
Notary Public in and for Hidalgo
County, Texas

ARTICLES OF MERGER
OF
FALCON REALTY SALES CO.
AND
FALCON DEVELOPMENT CO.

FILED
In the Office of the
Secretary of State of Texas
JUL 30 1973

()
Secretary of State
Austin, Texas

Pursuant to the provisions of Article 5.04 of the Texas Business Corporation Act, Falcon Realty Sales Co., a Texas corporation, subject to the provisions of the Texas Business Corporation Act, and Falcon Development Co., a Texas Corporation, subject to the provisions of the Texas Business Corporation Act, do hereby adopt the following Articles of Merger for the purpose of merging Falcon Development Co., into Falcon Realty Sales Co.:

1. The plan of merger of the said corporations is as set forth in that certain Agreement and Plan of Merger heretofore adopted by each of such corporations in the manner prescribed by the applicable articles of the Texas Business Corporation Act, a copy of which Agreement and Plan is attached hereto as Exhibit A and is incorporated herein for all purposes.

2. As to each of the undersigned corporations, the number of shares outstanding and the designation and number of outstanding shares of each class entitled to vote as a class of such Plan are as follows:

<u>Name of Corporation</u>	<u>Number of shares outstanding</u>	<u>Entitled to vote as a Class</u>	
		<u>Designation of Class</u>	<u>Number of Shares</u>
Falcon Realty Sales Co.	2,480	None	_____
Falcon Development Co.	1,000	None	_____

<u>Name of Corporation</u>	<u>Number of Shares</u>				
	<u>Total Voted For</u>	<u>Total Voted Against</u>	<u>Entitled to vote as a Class</u>	<u>Voted</u>	
				<u>For</u>	<u>Against</u>
Falcon Realty Sales Co.	2,480	0	None	_____	_____
Falcon Development Co.	1,000	0	None	_____	_____

Dated the 11th day of July, 1973.

ATTEST:

H. L. Linn
Secretary

FALCON REALTY SALES CO.

By: J. T. Cross
J. T. Cross, President

ATTEST:

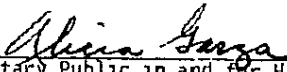
H. L. Linn

FALCON DEVELOPMENT CO.

By: J. T. Cross
J. T. Cross, President

THE STATE OF TEXAS,)
COUNTY OF HIDALGO.)

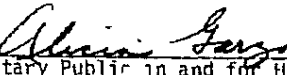
I, Alicia Garza, a Notary Public, do hereby certify that on this the 11th day of July, 1973, personally appeared before me J. T. CROSS, who, being by me first duly sworn, declared that he is the President of FALCON REALTY SALES CO., that he signed the foregoing document as President of the corporation, and that the statements contained therein are true.



Notary Public in and for Hidalgo County,
Texas.

THE STATE OF TEXAS,)
COUNTY OF HIDALGO.)

I, Alicia Garza, a Notary Public, do hereby certify that on this the 11th day of July, 1973, personally appeared before me J. T. CROSS, who, being by me first duly sworn, declared that he is the President of FALCON DEVELOPMENT CO., that he signed the foregoing document as President of the corporation, and that the statements contained therein are true.



Notary Public in and for Hidalgo County,
Texas.

JOINT PLAN OF MERGER
AND AGREEMENT OF MERGER .

WHEREAS, FALCON REALTY SALES CO., hereinafter called "First Party" or the "surviving corporation," is a Texas corporation with its principal place of business at McAllen, Hidalgo County, Texas, and

WHEREAS, First Party has authorized capital stock consisting of 5,000 shares of the common stock, par value at \$100.00 per share, of which 2480 shares are outstanding, and

WHEREAS, FALCON DEVELOPMENT CO., hereinafter called "Second Party," is a Texas corporation with its principal place of business at McAllen, Hidalgo County, Texas, and

WHEREAS, Second Party has authorized capital stock of 1000 shares in par value of \$10.00 per share, of which 1000 shares are outstanding, and

WHEREAS, it is desirable for the benefit of both parties and their stockholders that the properties, businesses, assets and liabilities of both parties be combined into one surviving corporation, which shall be FALCON REALTY SALES CO.

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein contained, the parties hereto, in accordance with the applicable provisions of the laws of the State of Texas, do hereby agree as follows:

1. Second party shall be merged with and into First Party, and First Party does hereby merge Second Party with and into itself. On and after the effective date of this contemplated merger,

A. Falcon Realty Sales Co. shall be the surviving corporation and shall continue to exist as a domestic corporation under the laws of the State of Texas with all the rights and obligations of such surviving domestic corporations as are provided by the Texas Business Corporations Act and other laws of the State of Texas applicable thereto.

B. Second Party, as a constituent corporation, pursuant to the Texas Business Corporations Act, shall cease to exist (except as otherwise provided for specific purposes in such act); and its

property shall become the property of First Party as the surviving corporation.

2. The Articles of Incorporation, as amended, and the by-laws of First Party shall continue to be the Articles of Incorporation and by-laws of the surviving corporation.

3. The directors of First Party shall be the directors of the surviving corporation until their successors are duly elected and qualified under the by-laws of the surviving corporation.

4. Each share of stock of First Party outstanding on the effective date of the merger shall thereupon, without further action, become one share of common stock of the surviving corporation without the issuance or exchange of new shares or share certificates.

5. All shares of authorized and outstanding capital stock of Second Party, such stock being owned in its entirety by the Stockholders of First Party, and all rights in respect thereto shall be cancelled forthwith on the effective date of the merger, and the certificates representing such shares shall be surrendered and cancelled.

6. The effective date of this merger shall be August 1, 1973. This Agreement and Plan of Merger shall be submitted to the stockholders of First Party and of Second Party for approval as required by the laws of the State of Texas. If and when such required approval is obtained, the proper officers of each corporation shall, and are hereby authorized and directed to perform all such further acts and execute and deliver to the proper authorities for filing all documents as the same may be necessary or proper to render effective the merger contemplated by this Plan and Agreement.

7. Notwithstanding any other provisions of this Agreement, the directors of First Party, at any time before or after approval by stockholders of either or both of the corporations, and prior to the effective date of the merger herein contemplated, and for any reason they may deem sufficient and proper, shall

have the power and authority to abandon and refrain from making effective the contemplated merger as set forth herein, in which case this Plan and Agreement shall thereby be cancelled and become null and void.

IN WITNESS WHEREOF, FALCON REALTY SALES CO., and FALCON DEVELOPMENT CO., have caused this Agreement to be executed in their corporate names by their respective officers and also by majorities of the Boards of Directors on the 11th day of July, 1973.

FALCON REALTY SALES CO.,

By: J. T. Cross
J. T. Cross, Its President

And H. L. Cross
H. L. Cross, Its Secretary

J. T. Cross
J. T. Cross, Director

H. L. Cross
H. L. Cross, Director

LaVerne Cross
LaVerne Cross, Director

FALCON DEVELOPMENT CO.

By: J. T. Cross
J. T. Cross, Its President

And H. L. Cross
H. L. Cross, Its Secretary

J. T. Cross
J. T. Cross, Director

H. L. Cross
H. L. Cross, Director

LaVerne Cross
LaVerne Cross, Director

STATEMENT OF CHANGE OF REGISTERED
OFFICE OR REGISTERED AGENT OR BOTH
BY A TEXAS DOMESTIC CORPORATION

Filed in the Office of the
Secretary of State of Texas
Thisday of.....19.....
JUN 06 1984

1. The name of the corporation FALCON REALTY SALES Co
09434900
2. The address, including street and number, of its present registered office as shown in the records of the Secretary of State of the State of Texas prior to filing this statement is 514 MILES NORTH WARE ROAD, MCALLEN
TEXAS 78501
3. The address, including street and number, to which its registered office is to be changed is _____
NO CHANGE
(Give new address of state "no change")
4. The name of its present registered agent, as shown in the records of the Secretary of State of the State of Texas, prior to filing this statement is _____
J. T. CROSS
5. The name of its new registered agent is _____
H. J. CROSS
(Give new name or state "no change")
6. The address of its registered office and the address of the business office of its registered agent, as changed, will be identical.
7. Such change was authorized by its board of directors.

J. T. Cross, PRESIDENT
President or Vice President

Sworn to May 25, 1984
(date)

Larry W. Clubb
Notary Public
HIDALGO County, Texas

STATEMENT OF CHANGE OF REGISTERED
OFFICE OR REGISTERED AGENT OR BOTH
BY A TEXAS DOMESTIC CORPORATION

FILED
In the Office of the
Secretary of State of Texas
DEC 05 1989
Corporations Section

1. The name of the corporation is FALCON REALTY SALES CO.

2. The address, including street and number, of its present registered office as shown in the records of the Secretary of State of the State of Texas before filing this statement is 5 1/4 Miles N. Ware Rd.
McAllen, Texas 78501

3. The address, including street and number, to which its registered office is to be changed is c/o C T Corporation System, 811 Dallas Avenue,
Houston, Texas 77002

(Give new address or state "no change")

4. The name of its present registered agent, as shown in the records of the Secretary of State of the State of Texas, before filing this statement is H. B. Cross

5. The name of its new registered agent is C T CORPORATION SYSTEM

(Give new name or state "no change")

6. The address of its registered office and the address of the business office of its registered agent, as changed, will be identical.

7. Such change was authorized by: (Check One)

 A. The Board of Directors

 B. An officer of the corporation so authorized by the Board of Directors.

 X C. Court-ordered Receiver
(see attached copy of
Order)

Donald G. Williamson Senior Vice President and
Senior Trust Officer
An Authorized Officer - Donald Williamson
BancTexas-Dallas, N.A., Receiver
for Falcon Realty Sales Company

CAUSE NO. C-2828-86-^B~~A~~

LaVERNE CROSS, ET AL § IN THE DISTRICT COURT OF
VS. § HIDALGO COUNTY, TEXAS
HERSTLE CROSS, ET AL § 93RD JUDICIAL DISTRICT

ORDER APPOINTING RECEIVER

On the 5th day of June, 1989, came on for hearing before this Court the application of Plaintiffs and Intervenors to remove Walter Kelly as the Receiver for Texas Plantations, Inc., and Falcon Realty Sales Co., Inc. All parties appeared by and through their respective attorneys, whereupon a hearing commenced and evidence was presented. Thereafter, Walter Kelly announced in open Court that he resigned as Receiver for Texas Plantations, Inc. and Falcon Realty Sales Company, Inc., effective immediately.

Thereupon the Court heard additional testimony and determined that BancTexas, Dallas, N.A., by and through Mr. Donald G. Williamson, whose principal place of business is 1601 Elm Street, Dallas, Texas 75201, agreed to act as Receiver for Texas Plantations, Inc. and Falcon Realty Sales Co., Inc. under the terms and conditions of this Order.

IT IS THEREFORE ORDERED, ADJUDGED, and DECLARED that Walter M. Kelly has resigned and his resignation is accepted as Receiver for Texas Plantations, Inc. and Falcon Realty Sales Co., Inc. effective June 5, 1989.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED that BancTexas, Dallas, N.A. be and it is hereby appointed Receiver for Texas Plantations, Inc. and Falcon Realty Sales Co., Inc. effective June 5, 1989, and on filing of a receiver's bond in the amount of \$50,000.00 conditioned as provided

by law, and approved by this Court, together with the oath prescribed by law, it shall be authorized, subject to control of this Court, to do any and all lawful acts the Receiver deems necessary in its full discretion to conduct and operate the affairs of the said receivership, including but not limited to the following:

1. The Receiver is authorized to take charge of the corporations described herein, including all assets, books, records, data, documents, accounts, tangible real and personal property; insure the same against hazards and risks, and attend to its periodic maintenances.

2. The Receiver is authorized, subject to further order of this Court, to operate, manage and conduct the business of Texas Plantations, Inc. and Falcon Realty Sales Co., Inc. and to employ servants, agents, employees, clerks, attorneys and accountants, and to purchase merchandise, materials, supplies, and services, and to pay same at ordinary and usual rates and prices out of funds that shall come into its possession as Receiver, and to do all things, and to incur the risks and obligations ordinarily incurred by owners, managers, and operators of similar businesses and enterprises, as such Receiver. Except as otherwise provided herein, no such risks or obligations so incurred shall be the personal risk or obligations of the Receiver, but a risk or obligation of the receivership² estate.

3. The Receiver is authorized to pay itself a fee for its services rendered as Receiver, as provided in the Schedule of fees of BancTexas-Dallas, N.A. which is attached hereto and incorporated herein for all purposes as Exhibit "A". In the event, however, such fees exceed \$25,000.00 in any one year, the Receiver shall apply to the Court

for approval of additional fees, and obtain an Order approving same before paying itself more than \$25,000.00 in any one year.

4. The Receiver is authorized to collect all payments, profits or rents due and hereafter coming due to the corporations, from whatsoever sources, including but not limited to, the payments under the promissory notes which are among the assets of the corporations. The Receiver is authorized to use its discretion to grant additional time to debtors and to compromise debts when to do so is in the opinion of the Receiver based on sound business reasons.

5. The Receiver is authorized to take possession of and receive from any banks or similar institutions any money on deposit in said banks to the credit of Texas Plantations, Inc. and Falcon Realty Sales Co., Inc.

6. The Receiver is authorized to remove and take in his possession the contents of any and all safety deposit boxes, and all banks or similar institutions are hereby directed as agents, custodians, or bailees for Texas Plantation, Inc. and Falcon Realty Co., Inc., at the demand of the Receiver, to open their safe deposit boxes rented to the corporations or the agents or employees of said corporations, in the presence of the Receiver.

7. The Receiver is authorized to open or maintain at banks or similar financial institutions, accounts necessary in the Receiver's sole discretion for the operation of the corporations.

8. The Receiver is authorized, subject to the terms of this Order, to sell property; finance real estate purchases, and execute documents in connection with such transactions.

9. The Receiver is authorized to invest any money, funds, accounts, or certificates of deposit not expended for any of the purposes authorized herein in any manner customarily employed by any corporate fiduciary as authorized by Texas Law.

IT IS FURTHER ORDERED that Walter M. Kelly, shall, on or before June 23, 1989, file in this action, an inventory of all assets and liabilities delivered to BancTexas, Dallas, N.A.

IT IS FURTHER ORDERED that Walter M. Kelly shall on or before June 23, 1989 provide a full accounting of all actions taken or approved by him as a Receiver herein, including, but not limited to, receipts and expenditures of moneys, properties acquired and disposed of, releases of liens or other security interests and notes or other obligations.

IT IS FURTHER ORDERED that BancTexas-Dallas, N.A. is not liable or obligated for any previous acts or omissions of previous receivers, officers, directors or agents of Texas Plantations, Inc. and Falcon Realty Sales Co., Inc.

IT IS FURTHER ORDERED that no person or entity shall act, or purport to act, on behalf of Texas Plantations, Inc., and Falcon Realty Sales Co., Inc., except the Receiver and his authorized agents and representatives, until further order of this Court.

IT IS FURTHER ORDERED that BancTexas-Dallas, N.A., as Receiver, shall provide ten (10) days' written notice to all attorneys of record herein for Jane Cross, LaVerne Cross, Ollie Cross, Lois Frazier, Lillian Cross Davis, Herstle Cross, and any successor in interest to any such parties, before any sale or disposition of any real property or the execution of any release of any lien, note, cause of action, claim or obligation. Delivery of such written notice shall be presumed if sent

by certified mail, return receipt requested. In the event no written objection is made by any of said attorneys and delivered to the Receiver within ten (10) days after the mailing or receipt of such notice, the Receiver is authorized to take any such action expressed in such notice without Court hearing or Court approval.

IT IS FURTHER ORDERED that all parties, and their agents, servants, employees, and representatives, deliver to the Receiver, all books, records, documents, funds and tangible items of any type whatsoever, belonging to or related to Texas Plantations, Inc. and Falcon Realty Sales Co., Inc., within thirty (30) days of the signing of this Order.

Nothing contained herein shall prohibit any party herein from exercising or pursuing any right or remedy allowed by law.

SIGNED this 19th day of June, 1989.
J. Manuel Mendez
JUDGE PRESIDING

DATE JUN 19 1989

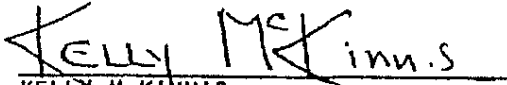
A true copy I certify

PAULINE G. GONZALEZ
District Clerk, Hidalgo County, Texas

By Pauline G. Gonzalez Deputy

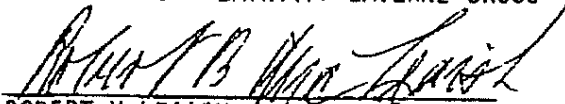
APPROVED BY:

ATTORNEY FOR PLAINTIFF JANE CROSS



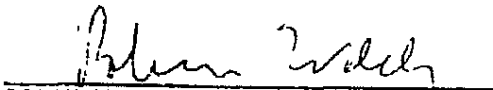
KELLY MCKINNIS
ATTORNEY AT LAW
1630 NORTH 10TH STREET
McALLEN, TEXAS 78502

ATTORNEY FOR PLAINTIFF LAVERNE CROSS




ROBERT McLEAISH
ATTORNEY AT LAW
100 E. HIBISCUS
McALLEN, TEXAS 78501

ATTORNEY FOR HERSTLE CROSS & ATLAS & HALL, BOB SCHWARZ, ET AL

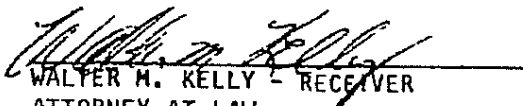


ROBIN WELCH
ATTORNEY AT LAW
P.O. DRAWER 2285
McALLEN, TEXAS 78502

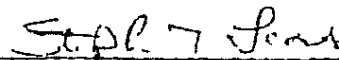
ATTORNEY FOR FRAZIER, DAVIS & OLLIE CROSS



EDMUNDO RAMIREZ
ATTORNEY AT LAW
901 FIRST CITY TOWER
McALLEN, TEXAS 78501



WALTER M. KELLY - RECEIVER
ATTORNEY AT LAW
801 NOLANA, SUITE 202
McALLEN, TEXAS 78502



STEPHEN T. LEAS
ATTORNEY AT LAW
4121 N. 23rd
McALLEN, TEXAS 78501

BancTEXAS Dallas N.A.

TRUST DIVISION

Schedule of Fees

ALL FEES TO BE CHARGED 50% TO INCOME
50% TO PRINCIPAL

PERSONAL TRUSTS AND INVESTMENT MANAGING AGENCIES

Annual Investment Servicing Fee

For safekeeping of assets, investing, reinvesting and otherwise servicing all funds of the account, the following percentage rates calculated upon the fair market value of assets held on valuation date for fee calculation, usually quarterly.

.10 of first	\$ 500,000.00
.75 of 10 of next	\$ 500,000.00
.575 of 10 of the next	\$2,000,000.00
.40 of 10 of the next	\$2,000,000.00
.30 of 10 of the next	\$2,000,000.00
.10 on excess of	\$7,000,000.00

Plus annual administration charge of \$300

Minimum Annual Fee \$750

Cash Management

Available cash balances are invested daily in short-term investment fund (either taxable or tax-exempt, depending on the investment strategy of the account) and a fee of .25 of 1% of the amounts so invested will be charged for this service. The maximum charge per month under this section will be \$25.00.

Promissory Notes Receivable and Payable Servicing

- (a) \$50.00 at time of origin of note.
- (b) \$10.00 per installment payment, paid or received.
- (c) Maintenance of tax-insurance escrow accounts - \$50 per account annually.

Real Estate Management

- (a) Rental Servicing - the following percent of gross rentals when collected:

	<u>Direct Without an Agent</u>	<u>Through a Compensated Agent</u>
1. Single Family Residence	10%	3%
2. Apartments & Duplexes	10%	3%
3. Commercial Buildings	6%	3%
4. Farms & Ranches	*6%	3%

*A reasonable charge commensurate with the time and services required.

Minimal Annual Charge - \$150 per parcel

- (b) Sales - 6% of gross sales price when sale is negotiated by the Trustee without payment of other agent's commission, or 3% of gross sales price when sale by outside agent and agent's commission is paid.
- (c) Long Term Leasing - 3% of gross lease rental in addition to any outside agent commissions and in addition to fees on rental collections stated above.
- (d) Additional reasonable fees may be charged for property inspections, negotiation of new or renegotiation of existing mortgages, supervision of property renovations, or other such services.

Oil and Gas Interests

Servicing Fees:

- (a) Producing Mineral and Royalty Interests - 4% of gross annual runs with a minimum charge of \$5 per lease per month. (See Footnote One)
- (b) Producing Working Interests - 6% of gross annual runs with a minimum charge of \$20 per lease per month. (See Footnote Two)
- (c) Non-producing Mineral and Royalty Interests -
 - 1. \$25 per unit annually for non-participating royalty interests.
 - 2. \$25 per unit annually for participating mineral interests.
- (d) Non-producing Leasehold Interests -
 - 1. \$30 per lease annually.

Business Interests Held in Trust

When an ownership interest requires active participation by the trustee in the management of a business enterprise, a reasonable charge based on the amount of time and services required will be imposed.

Acceptance Fees

Generally, there is no fee charged for the acceptance of a trusteeship; however, in cases where the appointment is successor to a previous executor or trustee, a reasonable charge may be imposed measured by the time and services required in reviewing the prior administration and effecting the transfer, including recovery of out-of-pocket expenses.

Co-Trustee Appointments

All fees quoted herein are for the services of BancTEXAS Dallas N.A. and are exclusive of any fees which may be payable to a co-fiduciary.

Extraordinary Service

For unusual or extraordinary services which cannot be presently anticipated but which may be necessary or desirable, the trustee shall be entitled to such additional compensation as is reasonable and commensurate with the services performed and the responsibilities assumed. Those services shall include, but shall not be limited to, processing Medicare and insurance claims, payment of personal bills, non-scheduled distributions, wire transfer of funds at beneficiary's request, and other such services.

* (See Footnote Four)

Termination Fee

A reasonable termination fee may be charged upon revocation or termination of an account in whole or part, measured by the time and responsibility involved, not exceeding 1% of the assets distributed. The minimum charge under this section will be \$300.

* Footnote One: For the purposes of computing the fees on mineral and royalty income in this account, such fees shall be computed on a basis of
4% of the first \$5,000
3% of the next \$5,000
2% of the next \$10,000
1% of the excess

* Footnote Two: For the purposes of determining the fees on income from working interests, such fees shall be computed on a basis of
6% of the first \$5,000
4% of the next \$5,000
2% of the next \$10,000
1% of the excess

* Footnote Three: For this account a setup fee for reviewing the documentation and receiving the assets onto our books initially, a fee of \$50 per note or account receivable and \$25 per other asset or liability shall be charged.

* Footnote Four: For extraordinary services in this account a fee of \$35 per man-hour shall be charged. Travel required in the management of these accounts will be at a per diem rate of \$350 in addition to out-of-pocket costs and expenses.

FILED
In the Office of the
Secretary of State of Texas

OCT 31 1991

ARTICLES OF MERGER

Corporations Section

Pursuant to the provisions of Article 5.04 of the Texas Business Corporation Act. FALCON REALTY SALES CO., INC., Charter No.00094349-0, and TEXAS PLANTATIONS, INC., Charter No.00283905-0, referred to as the "Constituent Corporations," adopt the following Articles of Merger for the purpose of merging TEXAS PLANTATIONS, INC. into FALCON REALTY SALES CO., INC.

1. The Plan of Merger that has been approved by each of the Constituent Corporations in the manner prescribed by the Texas Business Corporation Act, as set forth in Exhibit A, attached and incorporated by reference into these Articles as if same fully copied and set forth at length.

2. All of the Officers', Directors', and Shareholders' of the Plan of Merger contained in Exhibit A has been obtained, evidenced by the Joint Resolution contained in Exhibit B.

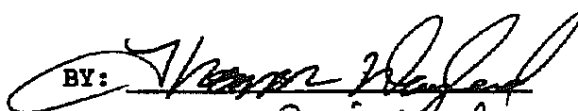
3. All (1334) shares outstanding and issued of TEXAS PLANTATIONS, INC. along with all (1000) shares outstanding and issued of FALCON REALTY SALES CO. INC. voted for the Plan of Merger, as set forth and approved in Exhibit A and B.

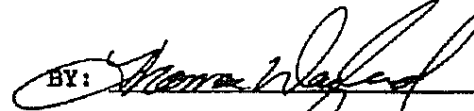
DATED: October 28, 1991

APPROVED AS TO FORM AND CONTENT:

FALCON REALTY SALES CO., INC.

TEXAS PLANTATIONS, INC.

BY: 
Vice President

BY: 
Vice President

CERTIFICATE OF SECRETARY

I, DONALD G. WILLIAMSON, Secretary of FALCON REALTY SALES CO., INC., on this 28th day of OCTOBER, 1991, hereby witness and attest to the above Articles.

Donald G. Williamson

CERTIFICATE OF SECRETARY

I, DONALD G. WILLIAMSON, Secretary of TEXAS PLANTATIONS, INC., on this 28th day of OCTOBER, 1991, hereby witness and attest to the above Articles.

Donald G. Williamson

PLAN AND AGREEMENT OF REORGANIZATION AND
CONSOLIDATION BY MERGER OF
TEXAS PLANTATIONS, INC. INTO FALCON REALTY SALES CO., INC.
UNDER THE NAME OF
FALCON REALTY SALES CO., INC.

This is a Plan and Agreement of Consolidation By Merger between TEXAS PLANTATIONS, INC., a Texas corporation, Charter No. 00283905-0, and FALCON REALTY SALES CO., INC., a Texas corporation, Charter No. 00094349-0, sometimes referred to in this Agreement and Process as the "Surviving Corporation." The parties to this Agreement are collectively referred to in this Agreement and Process as the "Constituent Corporation" or "Constituent Corporations." Consolidation By Merger is sometimes referred to in this Agreement and Process as "Merger."

ARTICLE 1

PLAN OF MERGER

Adoption of Plan

1.01. A tax-free plan of reorganization and consolidation of TEXAS PLANTATIONS, INC. into FALCON REALTY SALES CO., INC., pursuant to the provisions of Articles 5.01 et seq. of the Texas Business Corporation Act and Section 368(a)(1)(A) of the Internal Revenue Code, is adopted as follows:

(a) TEXAS PLANTATIONS, INC. shall be Consolidated By Merger into FALCON REALTY SALES CO., INC., while continuing to maintain and do business and to be governed by the laws of the State of Texas.

PLAN AND AGREEMENT OF
REORGANIZATION AND CONSOLIDATION BY MERGER

1

EXHIBIT-A

(b) The name of the Surviving Corporation shall be: FALCON REALTY SALES CO., INC.

(c) When this Agreement becomes effective, at the end of business day October 31, 1991, the existence of TEXAS PLANTATIONS, INC. as a distinct entity shall cease. At that time, the Surviving Corporation shall succeed, without the absolute necessity of other transfers, to all the rights and property of TEXAS PLANTATIONS, INC., and the Surviving Corporation shall be subject to all the debts and known liabilities of TEXAS PLANTATIONS, INC. in the same manner as if the Surviving Corporation had itself incurred the debts and knew of the liabilities. All rights of creditors and all liens on the property of TEXAS PLANTATIONS, INC. shall remain in force with respect to property affected by such liens immediately prior to the Consolidation By Merger.

(d) The Surviving Corporation shall carry on business with the assets of the Constituent Corporations as these corporations existed immediately prior to the Consolidation By Merger.

(e) The shareholders of TEXAS PLANTATIONS, INC., as the Disappearing Corporation, shall surrender all of their shares in the manner set forth in this Agreement.

(f) Because the ownership and owners of both corporations is the same, there is no need for exchange for the shares of TEXAS PLANTATIONS, INC. surrendered by its shareholders. The Surviving Corporation shall not issue and shall not transfer to such shareholders any additional stock at this time. If necessary, the Surviving Corporation shall amend its Articles of Incorporation as

set forth in this Agreement to provide for any additional issuance of such shares of the Surviving Corporation's stock necessary to the reorganization plan in accordance with its By-Laws.

(g) The shareholders of FALCON REALTY SALES CO., INC. shall retain their shares as shares in the same percent ownership of the Surviving Corporation.

Effective Date

1.02. The effective date of the Consolidation By Merger, referred to in this Agreement as the "Effective Date," shall be on October 31, 1991.

ARTICLE 2

REPRESENTATIONS AND WARRANTIES OF CONSTITUENT CORPORATIONS

2.01. To its knowledge, no actions, suits, or other legal proceedings are pending or threatened against TEXAS PLANTATIONS, INC. or FALCON REALTY SALES CO., INC., before or by any federal, state, or municipal court, department, board, bureau, or agency.

ARTICLE 3

TERMS, CONDITIONS, AND PROCEDURES PRIOR TO EFFECTIVE DATE

Submission to Shareholders and Filing

3.01. This Agreement has been submitted for approval separately to the shareholders of the Constituent Corporations in the manner provided by the laws of the State of Texas.

Consolidation Conditions

3.02. The notice of transfer or transfer of all rights, title

and interest known or unknown of the Disappearing Corporation have been or will be (formally and properly) transferred and recorded within the next fiscal year of the Surviving Corporation.

Interim Conduct of Business; Limitations

3.03. (a) Except as limited by this Paragraph 3.03, pending consummation of the Consolidation By Merger, each of the Constituent Corporations may carry on its business in substantially the same manner as prior to the date of this Agreement and will use its best efforts to maintain its business organization intact, to retain its present employees, and to maintain its good will in relationships with suppliers and others transacting business with the corporation.

(b) Except with the prior consent in writing of FALCON REALTY SALES CO., INC., pending consummation of the Consolidation By Merger, TEXAS PLANTATIONS, INC. shall not:

(i) Except on declaration and payment of a cash dividend on its common stock declare or pay any dividend or make any other distribution on its shares.

(ii) Create or issue any indebtedness for borrowed money.

(iii) Enter into any transactions other than those involved in carrying on its ordinary course of business.

Expenses

3.04. (a) If the Consolidation By Merger set forth in this Agreement is consummated, the Surviving Corporation shall pay all costs and expenses of the Consolidation By Merger or as agreed by the officers and directors of both corporations.

(b) If the Consolidation By Merger set forth in this Agreement is not consummated, each party to this Agreement shall pay its own costs and expenses incident to the contemplated Consolidation By Merger.

ARTICLE 4

MANNER AND BASIS OF CONVERTING SHARES

Manner of Converting Shares

4.01. The holders of shares ⁽¹³³⁴⁾ of TEXAS PLANTATIONS, INC. shall surrender their shares to the Secretary of the Surviving Corporation promptly after the Effective Date, with no exchange for shares of the Surviving Corporation.

Basis of Converting Shares

4.02. Because the ownership and owners of both Corporations is the same, there is no need for any exchange of stock at this time.

Capital Structure of Surviving Corporation

4.03. (a) The currently outstanding number of ⁽¹⁰⁰⁰⁾ shares of FALCON REALTY SALES CO., INC., shall remain the same as the current outstanding shares of the Surviving Corporation.

ARTICLE 5

DIRECTORS AND OFFICERS

Directors and Officers of Surviving Corporation

5.01. The present Board of Directors of FALCON REALTY SALES CO., INC. shall continue to serve as the Board of Directors of the

Surviving Corporation until the next annual meeting or, if necessary, until their successors have been elected and qualified.

5.02. If a vacancy exists on the Board of Directors of the Surviving Corporation on the Effective Date, the vacancy may be filled by the Board of Directors as provided in the bylaws of the Surviving Corporation.

5.03. All persons who at the Effective Date are executive or administrative officers of FALCON REALTY SALES CO., INC., shall remain as officers of the Surviving Corporation until the Board of Directors of the Surviving Corporation shall determine otherwise or as provided in Paragraph 5.01. The Board of Directors of the Surviving Corporation may elect or appoint such additional officers as it deems necessary.

5.04. On the Effective Date, the names of the Directors and principal officers of the Surviving Corporation are:

(a) Directors: Hubert L. Roberts

Thomas G. Wayland

Donald G. Williamson

(b) Officers: Hubert L. Roberts - President

Thomas G. Wayland - Vice President

Donald G. Williamson - Secretary/Treasurer

5.05. The directors and officers named in Paragraph 5.01 shall hold office until the next annual meeting of the shareholders of the Surviving Corporation or, if necessary, until their respective successors have been elected or appointed and qualified.

ARTICLE 6

ARTICLES OF INCORPORATION AND BYLAWS

6.01. The Articles of Incorporation of FALCON REALTY SALES CO., INC., as existing on the Effective Date, shall continue in full force as the Articles of the Surviving Corporation until amended as provided in the Articles or By-Laws.

APPROVED AS TO FORM AND CONTENT:

FALCON REALTY SALES CO., INC.

TEXAS PLANTATIONS, INC.

BY: *Donald G. Williamson*

BY: *Donald G. Williamson*

CERTIFICATE OF SECRETARY

I, DONALD G. WILLIAMSON, Secretary of FALCON REALTY SALES CO., INC. on this 28th day of OCTOBER, 1991, hereby witness and attest to the above plan and agreement.

Donald G. Williamson

CERTIFICATE OF SECRETARY

I, DONALD G. WILLIAMSON, Secretary of TEXAS PLANTATIONS, INC. on this 28th day of OCTOBER, 1991, hereby witness and attest to the above plan and agreement.

Donald G. Williamson

JOINT RESOLUTION OF OFFICERS,
DIRECTORS AND SHAREHOLDERS

1. A Plan and Agreement of Consolidation By Merger, referred to in this Resolution as the "Plan and Agreement," a copy of which is attached to this Resolution and incorporated by reference, has been presented to a joint meeting and all formal notice requirements have been waived. The Plan and Agreement provides for a Consolidation By Merger between FALCON REALTY SALES CO., INC. and TEXAS PLANTATIONS, INC.

2. The officers, directors and shareholders have determined that it is in their best interests and the best interests of these Corporations that the terms and conditions of the Plan and Agreement be approved and performed.

3. THEREFORE, IT IS RESOLVED that:

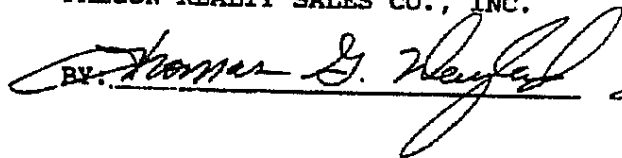
(a) The Plan and Agreement between FALCON REALTY SALES CO., INC. and TEXAS PLANTATIONS, INC. submitted to this meeting on October 4, 1991, is approved in the form attached to this resolution.

(b) The Board of Directors and Officers of these Corporations are authorized on behalf of the Corporations to take all actions and to execute and file all documents that are necessary or convenient to carry out and perform the Plan and Agreement.

APPROVED AS TO FORM AND CONTENT:

FALCON REALTY SALES CO., INC.

TEXAS PLANTATIONS, INC.

BY: 

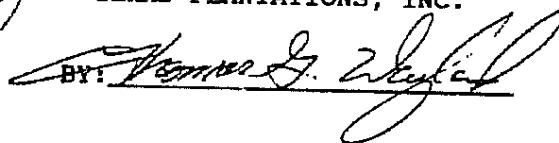
BY: 

EXHIBIT-B

CERTIFICATE OF SECRETARY

I, DONALD G. WILLIAMSON, Secretary of FALCON REALTY SALES CO., INC. on this 28th day of OCTOBER, 1991, attest to the above resolution.

Donald G. Williamson

CERTIFICATE OF SECRETARY

I, DONALD G. WILLIAMSON, Secretary of TEXAS PLANTATIONS, INC. on this 28th day of OCTOBER, 1991, attest to the above resolution.

Donald G. Williamson

STATEMENT OF CHANGE OF REGISTERED OFFICE AND REGISTERED AGENT BY A PROFIT CORPORATION JAN 25 1993

Corporations Section

1. The name of the corporation is: FALCON REALTY SALES CO., INC.
2. The address, including street and number, of its present registered office as shown in the records of the Secretary of State of Texas before filing this statement is:

CT Corporation System
811 Dallas Ave.
Houston, TX 77002

3. The address, including street and number, to which its registered office is to be change is:

Donald G. Williamson, Attorney at Law
3102 Oak Lawn Ave.,
Suite 700, LB 135
Dallas, TX 75219

4. The name of its present registered agent, as shown in the records of the Secretary of State of Texas, before filing this statement is:

CT Corporation System

5. The name of its new registered agent is:

Donald G. Williamson, Attorney at Law

6. The address of its registered office and the address of the registered agent, as changed, will be identical.

7. Such change was authorized by the Board of Directors of said corporation.

SIGNED THIS 14th DAY OF DECEMBER, 1992.

FALCON REALTY SALES CO., INC.

by Hubert L. Roberts
Hubert L. Roberts, President

PUBLIC INFORMATION REPORT (PIR) NOTIFICATION

Prior to tax year 2002 copies of Public Information Reports may not have been retained by the Secretary of State of Texas. If you have received this notification in place of a listed report prior to that date you must contact the Comptroller of Public Accounts at (512) 463-4600 to request copies of the record.

a T Code 13196

Texas Franchise Tax Public Information Report

Must be filed with your Corporation Franchise Tax Report

Corporation name and address

FALCON REALTY SALES, CO.
13201 N 23RD STREET
EDINBURG, TX 78539

Do not write in the space above

c Taxpayer identification number 17412311031	d Report year 2002
---	-----------------------

e PIR / IND <input type="checkbox"/>	1, 2, 3, 4
Secretary of State file number or, if none, Comptroller unchartered number	
f Item k on Franchise Tax Report form, page 1	g <input type="checkbox"/> 0009434980

The following information must be provided for the Secretary of State (SOS) by each corporation that files a Texas Corporation Franchise Tax Report. The information will be available for public inspection.

'Section A' must be complete and accurate.

If preprinted information is not correct, please type or print the correct information.

Please sign below!

Check here if there are currently no changes to the information preprinted in Sections A, B, and C of this report.

Corporation's Principal Office 13201 N 23RD STREET, EDINBURG, TX 78539
Principal Place of Business 13201

Section A Name, title and mailing address of each officer and director. Use additional sheets, if necessary.

Name	Title	Director	Social Security Number (optional)
DANIEL SERENI	PRES	<input checked="" type="checkbox"/> Yes	
Mailing Address 13201 N 23RD STREET EDINBURG TX 78539			Expiration Date (mm-dd-yyyy)
DONALD G WILLIAMSON	SECR	<input checked="" type="checkbox"/> Yes	
Mailing Address 3102 OAK LAWN AVE, SUITE 700 DALLAS TX 75219			Expiration Date (mm-dd-yyyy)
		<input type="checkbox"/> Yes	
Mailing Address			Expiration Date (mm-dd-yyyy)
		<input type="checkbox"/> Yes	
Mailing Address			Expiration Date (mm-dd-yyyy)
		<input type="checkbox"/> Yes	
Mailing Address			Expiration Date (mm-dd-yyyy)

Section B List each corporation in which this reporting corporation owns an interest of ten percent (10%) or more.

Enter the information requested for each corporation. If none, enter 'None.' Use additional sheets if necessary.

Name of Owned (subsidiary) Corporation	State of Incorporation	Texas SOS File Number	Percentage Interest
NONE			
Name of Owned (subsidiary) Corporation	State of Incorporation	Texas SOS File Number	Percentage Interest

Section C List each corporation that owns an interest of ten percent (10%) or more in this reporting corporation.

Enter the information requested for each corporation. If none, enter 'None.' Use additional sheets, if necessary.

Name of Owning (parent) Corporation	State of Incorporation	Texas SOS File Number	Percentage Interest
NONE			


Registered Agent and Registered Office Currently on File. (Changes must be filed separately with the Secretary of State.)

Agent:

Office:

Check here if you need forms to change this information.

I declare that the information in this document and any attachments is true and correct to the best of my knowledge and belief and that a copy of this report has been mailed to each person named in this report who is an officer or director and who is not currently employed by this corporation or a related corporation.

sign here 	Officer, Director, or Other Authorized Person	Title President	Date 10/10/02	Daytime Phone (area code and number) 956-381-0625
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05 102
(Rev 7/03/22)

*** INTERNET ***

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b

041311 92085

a T Code 13196 Franchise 16196 Bank

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TEXAS FRANCHISE TAX
PUBLIC INFORMATION REPORT

MUST be filed to satisfy franchise tax requirements

Corporation name and address

Falcon Realty Sales, Co.
13201 N 23rd. St.
Edinburg, TX 78541JUN 10 10 51 AM '04
2H13051040X

c Taxpayer identification number 74-1231103	d Report year 2003
--	-----------------------

e PIR/IND <input type="checkbox"/> 1, 2, 3, 4
Secretary of State file number or, if none, Comptroller unchartered number g
Item k on Franchise Tax Report, Form 05-142 17412311031

If the preprinted information is not correct, please type or print the correct information.

The following information MUST be provided for the Secretary of State (SOS) by each corporation or limited liability company that files a Texas Corporation Franchise Tax Report. Use additional sheets for Sections A, B, and C, if necessary. The information will be available for public inspection.

 Blacken this circle completely if there are currently no changes to the information preprinted in Section A of this report. Then, complete Sections B and C.**Please sign below!** Officer and director information is reported as of the date a Public Information Report is completed. The information is updated annually as part of the franchise tax report. There is no requirement or procedure for supplementing the information as officers and directors change throughout the year.

Corporation's principal office 13201 N 23rd St. Edinburg, Texas 78541
Principal place of business 13201 N 23rd St. Edinburg, Texas 78541

SECTION A. Name, title, and mailing address of each officer and director

NAME	TITLE	DIRECTOR	Term expiration (mm-dd-yyyy)
Daniel R. Sereni	President	<input checked="" type="checkbox"/> YES	
13201 N 23rd. St. Edinburg, TX 78541			
Nelda Villarreal	Secretary	<input checked="" type="checkbox"/> YES	
13201 N 23rd. St. Edinburg, TX 78541			
		<input type="checkbox"/> YES	
13201 N 23rd. St. Edinburg, TX 78541			
		<input type="checkbox"/> YES	
13201 N 23rd. St. Edinburg, TX 78541			
		<input type="checkbox"/> YES	

SECTION B. List each corporation or limited liability company, if any, in which this reporting corporation or limited liability company owns an interest of ten percent (10%) or more. Enter the information requested for each corporation or limited liability company.

Name of owned (subsidiary) corporation	State of incorporation	Texas SOS file number	Percentage interest
NONE			

SECTION C. List each corporation or limited liability company, if any, that owns an interest of ten percent (10%) or more in this reporting corporation or limited liability company. Enter the information requested for each corporation or limited liability company.

Name of owning (parent) corporation	State of incorporation	Texas SOS file number	Percentage interest
NONE			

Registered agent and registered office currently on file (See instructions if you need to make changes)

Agent Office: Donald G. Williamson
3102 Oaklawn Ave. Suite 700, Dallas, TX 75219 Blacken this circle if you need forms to change this information. Changes can also be made on-line at <http://www.sos.state.tx.us/corp/sosda/index.shtml>

I declare that the information in this document and any attachments is true and correct to the best of my knowledge and belief, as of the date below, and that a copy of this report has been mailed to each person named in this report who is an officer or director and who is not currently employed by this corporation or limited liability company or a related corporation.

sign here	Officer, director, or other authorized person	Title President	Date 04/26/2004	Daytime phone (Area code and number) (956)381-0625
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05-102
(Rev 7/03/22)

*** INTERNET ***

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04121192179

a T Code 13196 Franchise 16196 Bank

Do not write in the space above

**TEXAS FRANCHISE TAX
PUBLIC INFORMATION REPORT**

MUST be filed to satisfy franchise tax requirements

Corporation name and address

Falcon Realty Sales, Co.
13201 N 23rd. St.
Edinburg, TX 78541

c Taxpayer identification number 74-1231103	d Report year 2003
--	-----------------------

e PIR/WD <input type="checkbox"/> 1, 2, 3, 4
Secretary of State file number or, if none, Comptroller unchartered number
g <input type="checkbox"/>
Item k on Franchise Tax Report, Form 05-142 17412311031

APR 26 2004
MAIL ROOM

If the preprinted information is not correct, please type or print the correct information

The following information MUST be provided for the Secretary of State (SOS) by each corporation or limited liability company that files a Texas Corporation Franchise Tax Report. Use additional sheets for Sections A, B, and C, if necessary. The information will be available for public inspection.

Blacken this circle completely if there are currently no changes to the information preprinted in Section A of this report. Then, complete Sections B and C.

Please sign below!

Officer and director information is reported as of the date a Public Information Report is completed. The information is updated annually as part of the franchise tax report. There is no requirement or procedure for supplementing the information as officers and directors change throughout the year.

Corporation's principal office 13201 N 23rd St. Edinburg, Texas 78541
Principal place of business 13201 N 23rd St. Edinburg, Texas 78541

SECTION A. Name, title, and mailing address of each officer and director

NAME	TITLE	DIRECTOR	Term expiration (mm-dd-yyyy)
Daniel R. Sereni	President	<input checked="" type="checkbox"/> YES	
MAILING ADDRESS: 13201 N 23rd. St. Edinburg, TX 78541			
Nelda Villarreal	Secretary	<input checked="" type="checkbox"/> YES	
MAILING ADDRESS: 13201 N 23rd. St. Edinburg, TX 78541			
		<input type="checkbox"/> YES	
MAILING ADDRESS:			
		<input type="checkbox"/> YES	
MAILING ADDRESS:			
		<input type="checkbox"/> YES	
MAILING ADDRESS:			

SECTION B. List each corporation or limited liability company, if any, in which this reporting corporation or limited liability company owns an interest of ten percent (10%) or more. Enter the information requested for each corporation or limited liability company.

Name of owned (subsidiary) corporation	State of incorporation	Texas SOS file number	Percentage interest
NONE			

SECTION C. List each corporation or limited liability company, if any, that owns an interest of ten percent (10%) or more in this reporting corporation or limited liability company. Enter the information requested for each corporation or limited liability company.

Name of owning (parent) corporation	State of incorporation	Texas SOS file number	Percentage interest
NONE			

Registered agent and registered office currently on file (See instructions if you need to make changes)

Agent: Donald G. Williamson
Office: 3102 Oaklawn Ave. Suite 700, Dallas, TX 75219

Blacken this circle if you need forms to change this information. Changes can also be made on-line at <http://www.sos.state.tx.us/corp/sosda/index.shtml>

I declare that the information in this document and any attachments is true and correct to the best of my knowledge and belief, as of the date below, and that a copy of this report has been mailed to each person named in this report who is an officer or director and who is not currently employed by this corporation or limited liability company or a related corporation.

sign here	Officer, director, or other authorized person	Title President	Date 04/26/2004	Daytime phone (Area code and number) (956)381-0625
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**Forfeiture pursuant to Section 171.309 of the Texas Tax Code
of
FALCON REALTY SALES CO.**

File Number : 9434900

Certificate / Charter forfeited : February 13, 2004

The Secretary of State hereby determines and finds the following:

1. The Secretary of State received certification from the Comptroller of Public Accounts under Section 171.302 of the Texas Tax Code that there are grounds for forfeiture of the charter or certificate of authority of the referenced entity.
2. That the entity has not revived its forfeited corporate privileges within 120 days after the date that the corporation privileges were forfeited.
3. The Comptroller of Public Accounts has determined that the entity does not have assets from which a judgment for any tax, penalty, or court costs imposed under Chapter 171 of the Code may be satisfied.

It is therefore ordered that charter or certificate of authority of the referenced entity be forfeited without judicial ascertainment and that the proper entry be made upon the permanent files and records of such entity to show such forfeiture as of the date hereof.



A handwritten signature in black ink, appearing to read "G. Connor".

Geoffrey S. Connor
Secretary of State

Come visit us on the Internet @<http://www.sos.statc.tx.us/>



Office of the Secretary of State
 Corporations Section
 P.O. Box 13697
 Austin, Texas 78711-3697


FILED
 In the Office of the
 Secretary of State of Texas

MAY 06 2004
 Corporations Section

CHANGE OF REGISTERED AGENT/REGISTERED OFFICE

1. The name of the entity is Falcon Realty Sales Co.
 and the file number issued to the entity by the secretary of state is 17412311031
2. The entity is: (Check one.)
 - a *business corporation*, which has authorized the changes indicated below through its board of directors or by an officer of the corporation so authorized by its board of directors, as provided by the Texas Business Corporation Act.
 - a *non-profit corporation*, which has authorized the changes indicated below through its board of directors or by an officer of the corporation so authorized by its board of directors, or through its members in whom management of the corporation is vested pursuant to article 2.14C, as provided by the Texas Non-Profit Corporation Act.
 - a *limited liability company*, which has authorized the changes indicated below through its members or managers, as provided by the Texas Limited Liability Company Act.
 - a *limited partnership*, which has authorized the changes indicated below through its partners, as provided by the Texas Revised Limited Partnership Act.
 - an *out-of-state financial institution*, which has authorized the changes indicated below in the manner provided under the laws governing its formation.
3. The registered office address as PRESENTLY shown in the records of the Texas secretary of state is 3102 Oaklawn Ave. Suite 700 Dallas, Texas 75219
4. A. The address of the NEW registered office is: (Please provide street address, city, state and zip code. The address must be in Texas.)
13201 N 23rd St. Edinburg, TX 78541
 OR B. The registered office address will not change.
5. The name of the registered agent as PRESENTLY shown in the records of the Texas secretary of state is Donald G. Williamson
6. A. The name of the NEW registered agent is Daniel R. Sereni
 OR B. The registered agent will not change.

7. Following the changes shown above, the address of the registered office and the address of the office of the registered agent will continue to be identical, as required by law.

By: 
(A person authorized to sign
on behalf of the entity)

INSTRUCTIONS

1. It is recommended that you call (512) 463-5555 to verify the information in items 3 and 5 as it currently appears on the records of the secretary of state before submitting the statement for filing. You also may e-mail an inquiry to corpinfo@sox.state.tx.us. As information on out-of-state financial institutions is maintained on a separate database, a financial institution must call (512) 463-5701 to verify registered agent and registered office information. If the information on the form is inconsistent with the records of this office, the statement will be returned.
2. You are required by law to provide a street address in item 4 unless the registered office is located in a city with a population of 5,000 or less. The purpose of this requirement is to provide the public with notice of a physical location at which process may be served on the registered agent. A statement submitted with a post office box address or a lock box address will not be filed.
3. An authorized officer of the corporation or financial institution must sign the statement. In the case of a limited liability company, an authorized member or manager of a limited liability company must sign the statement. A general partner must sign the statement on behalf of a limited partnership. A person commits an offense under the Texas Business Corporation Act, the Texas Non-Profit Corporation Act or the Texas Limited Liability Company Act if the person signs a document the person knows is false in any material respect with the intent that the document be delivered to the secretary of state for filing. The offense is a Class A misdemeanor.
4. Please attach the appropriate fee:

Business Corporation	\$15.00
Financial Institution, other than Credit Unions	\$15.00
Financial Institution that is a Credit Union	\$ 5.00
Non-Profit Corporation	\$ 5.00
Limited Liability Company	\$10.00
Limited Partnership	\$50.00

Personal checks and MasterCard®, Visa®, and Discover® are accepted in payment of the filing fee. Checks or money orders must be payable through a U.S. bank or other financial institution and made payable to the secretary of state. Fees paid by credit card are subject to a statutorily authorized processing cost of 2.1% of the total fees.

5. Two copies of the form along with the filing fee should be mailed to the address shown in the heading of this form. The delivery address is: Secretary of State, Statutory Filings Division, Corporations Section, James Earl Rudder Office Building, 1019 Brazos, Austin, Texas 78701. We will place one document on record and return a file stamped copy, if a duplicate copy is provided for such purpose. The telephone number is (512) 463-5555, TDD: (800) 735-2989, FAX: (512) 463-5709.



Office of the Secretary of State
 Corporations Section
 P.O. Box 13697
 Austin, Texas 78711-3697

FILED
 In the Office of the
 Secretary of State of Texas
 MAY 07 2004
 Corporations Section

**APPLICATION FOR REINSTATEMENT AND
 REQUEST TO SET ASIDE REVOCATION OR FORFEITURE**

Name of entity: Falcon Realty Sales, Co
 File No.: 0009434980 Taxpayer ID No.: 17412311031

- The entity named above was forfeited or its certificate of authority was revoked on February 13, 2004 for the following reason:
 (date)
 (check one)
 (a) failure to maintain a registered agent;
 (b) failure to file a franchise tax return and/or pay state franchise tax;
 (c) other:
- The entity has corrected the default and has paid all fees, taxes, and penalties due.
- The entity applies for reinstatement and requests that the secretary of state set aside the forfeiture or the revocation of its certificate of authority.

By [Signature]
 (signature)
 President

 (title)

INSTRUCTIONS FOR FILING APPLICATION FOR REINSTATEMENT

- SIGNATURE:**
CORPORATIONS - An application for reinstatement by a corporation forfeited for failure to file a franchise tax return and/or pay state franchise taxes must be signed by an officer, director or shareholder of the corporation. All other applications must be signed by an officer or director of the corporation.
LIMITED LIABILITY COMPANIES - An application for reinstatement by a limited liability company must be signed by a manager or member of the limited liability company.
- FEES:**

Business Corporation or Foreign Limited Liability Company under 1(a) or (c)	\$50.00
Texas Limited Liability Company under 1(a) or (c)	\$10.00
Non-Profit Corporation under 1(a) or (c)	\$25.00
Business Corporation or Texas or Foreign Limited Liability Company under 1(b)	\$75.00
Non-Profit Corporation under 1(b)	No Fee



**COMPTROLLER OF PUBLIC ACCOUNTS
STATE OF TEXAS
AUSTIN, 78774**

**MCALLEN ENFORCEMENT OFFICE
3231 NORTH McCOLL RD.
MCALLEN, TEXAS 78501-5538**

May 4, 2004

Texas Secretary of State
Corporation Section

To whom it may concern:

Falcon Realty Sales Co, 0009434980 has paid all franchise taxes through December 31, 2003, and is eligible for reinstatement through May 17, 2004, the next franchise tax report due date.

If you have any questions, feel free to call me at 956/687-9227.

Sincerely,


Judith L. Montalvo
Enforcement Officer

Taxpayer Number: 17412311031

05-162 (Rev. 2-20-01)
 a. T Code 13196 Franchise 16196 Bank

3333 b. ■

**TEXAS FRANCHISE TAX
 PUBLIC INFORMATION REPORT**

MUST be filed to satisfy franchise tax requirements

**RECEIVED
 OCT 29 2004**

Do not write in the space above

c. Taxpayer identification number ■ 17412311031	d. Report year ■ 2004
--	--------------------------

Corporation name and address FALCON REALTY SALES CO. 13201 N 23RD STREET EDINBURG TX 78539	e. PIR / IND <input checked="" type="checkbox"/> 1, 2, 3, 4 Secretary of State file number or, if none, Comptroller unchartered number f. Item k on Franchise Tax Report form, Page 1 g. ■ 0009434900
---	---

The following information MUST be provided for the Secretary of State (SOS) by each corporation or limited liability company that files a Texas Corporation Franchise Tax Report. Use additional sheets for Sections A, B, and C, if necessary. The information will be available for public inspection.

Please sign below!

If the preprinted information is not correct, please type or print the correct information.

Blacken this circle completely if there are currently no changes to the information preprinted in Sections A, B, and C of this report.

Corporation's principal office
Principal place of business

SECTION A. Name, title, and mailing address of each officer and director.

NAME	TITLE	DIRECTOR	Social Security No. (Optional)
DAN SERENI	PRES	<input checked="" type="checkbox"/> YES	
MAILING ADDRESS			Term expiration (mm-dd-yyyy)
13201 N 23RD STREET EDINBURG TX 78539			
DONALD G WILLIAMSON	SEC	<input checked="" type="checkbox"/> YES	
MAILING ADDRESS			Term expiration (mm-dd-yyyy)
3102 OAK LAWN AVE STE 700 DALLAS TX 75219			
		<input type="checkbox"/> YES	
MAILING ADDRESS			Term expiration (mm-dd-yyyy)
		<input type="checkbox"/> YES	
MAILING ADDRESS			Term expiration (mm-dd-yyyy)
		<input type="checkbox"/> YES	
MAILING ADDRESS			Term expiration (mm-dd-yyyy)

SECTION B. List each corporation or limited liability company, if any, in which this reporting corporation or limited liability company owns an interest of ten percent (10%) or more. Enter the information requested for each corporation or limited liability company.

Name of owned (subsidiary) corporation	State of incorporation	Texas SOS file number	Percentage interest
NONE			
Name of owned (subsidiary) corporation	State of incorporation	Texas SOS file number	Percentage interest

SECTION C. List each corporation or limited liability company, if any, that owns an interest of ten percent (10%) or more in this reporting corporation or limited liability company. Enter the information requested for each corporation or limited liability company.

Name of owning (parent) corporation	State of incorporation	Texas SOS file number	Percentage interest
NONE			

Registered agent and registered office currently on file. (See instructions if you need to make changes.)

Agent:
 Office:

Blacken this circle if you need forms to change this information.

I declare that the information in this document and any attachments is true and correct to the best of my knowledge and belief and that a copy of this report has been mailed to each person named in this report who is an officer or director and who is not currently employed by this corporation or limited liability company or a related corporation.

Officer, director, or other authorized person sign here	Title Sec. PRESIDENT	Date 10/29/04	Daytime phone (Area code and no.) 956-381-0625 ATX
--	-------------------------	------------------	---

MAY 02 2005

**STATEMENT OF CHANGE
IN REGISTERED OFFICE AND REGISTERED AGENT
BY A DOMESTIC CORPORATION AUTHORIZED TO
TRANSACTION SECTION
TRANSACT BUSINESS IN TEXAS**

1 The name of the corporation as stated in the Articles of Incorporation is FALCON REALTY SALES CO , INC

The corporation's charter number is 00094349-00

2 The entity is a business corporation, which has authorized the changes indicated below through its board of directors or by an office of the corporation so authorized by its board of directors, as provided by the Texas Business Corporation Act

3 The address, including street and number of its present registered office, as shown in the office of the Secretary of State of the State of Texas before filing this statement, is 13201 North 23rd Street, Edinburg, TX 78541

4 The address, including street and number, of its registered office is to remain unchanged


5 The name of its present registered agent, as shown in the office of the Secretary of State of the State of Texas, before filing this statement is before filing this statement is Daniel R Sereni

6 The name of its new registered agent is Nelda Villarreal, whose address is 13201 North 23rd Street, Edinburg, Texas 78541

7 The address of the corporation's registered office, and the address of its registered agent, as changed, will continue to be identical to the addresses listed above until notice of change is given as required by law.

8 The foregoing changes were authorized by an officer of the corporation so authorized by the Board of Directors.

Dated this 28 day of April, 2005.



Nelda Villarreal, President



Corporation Search Results

Franchise Tax Certification of Account Status

This Certification Not Sufficient for Filings with Secretary of State

Do **not** include a certification from this Web site as part of a filing with the Secretary of State for dissolution, merger, withdrawal, or conversion. The Secretary of State will reject a filing that uses the certification from this site.

To obtain a certificate that is sufficient for dissolution, merger, or conversion, see Publication 98-336d, Requirements to Dissolve, Merge or Convert a Texas Entity.

Certification of Account Status	Officers And Directors Information
Company Information:	FALCON REALTY SALES CO 13201 N DEPOT RD EDINBURG, TX 78541-8323
Status:	IN GOOD STANDING NOT FOR DISSOLUTION OR WITHDRAWAL through May 15, 2006
Registered Agent:	NELDA VILLARREAL 13201 NORTH 23RD STREET EDINBURG, TX 78541
Registered Agent Resignation Date:	
State of Incorporation:	TX
File Number:	0009434900
Charter/COA Date:	February 19, 1948
Charter/COA Type:	Charter
Taxpayer Number:	17412311031

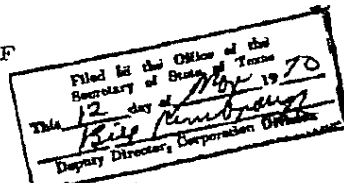
Carole Keeton Strayhorn
Texas Comptroller of Public Accounts

Window on State Government
Contact Us
Privacy and Security Policy

EXHIBIT "S"

**TEXAS PLANTATIONS, INC
CHARTER NO. 00283905-0
FORMED ON NOVEMBER 12, 1970**

ARTICLES OF INCORPORATION OF
TEXAS PLANTATIONS, INC.



We, the undersigned natural persons, of the age of twenty-one years or more, all of whom are citizens of the State of Texas, acting herein as incorporators of a corporation under the Texas Business Corporation Act, do hereby adopt the following Articles of Incorporation for such corporation.

ARTICLE I.

The name of the corporation is TEXAS PLANTATIONS, INC.

ARTICLE II.

The period of its duration is perpetual.

ARTICLE III.

The purpose or purposes for which the corporation is organized are to acquire, own, develop, operate and improve citrus groves and nurseries; to conduct farming operations and horticultural practices; to care for and maintain citrus groves; to own, lease, rent, purchase, sell, encumber or otherwise acquire, dispose of and deal with real estate and to lease, purchase, sell and subdivide real estate within towns, cities and villages and their suburbs; provided, however, that in Texas such activity be subject to Part 4 of the Texas Miscellaneous Corporation Act; to purchase, manufacture, assemble, fabricate, produce, import, receive, lease as lessee or otherwise acquire, own, hold, store, use, repair, service, maintain, mortgage, pledge or otherwise encumber, sell, assign, lease as lessor, distribute, export or otherwise dispose of and generally deal with and in as principal, agent, broker, investor or otherwise, goods, wares, merchandise, securities and personal property, tangible or intangible, of all kinds and descriptions; to enter into partnerships or any arrangement for sharing of

profits, union of interests, cooperation, joint venture, reciprocal concession or otherwise with any person, firm or corporation carrying on or engaged in any business or transaction; to carry out the business above set forth in any state, territory, district or possession of the United States or in any foreign country to the extent that such purposes are not forbidden by the law of such state, territory, district or possession of the United States or by such foreign country; in general to carry on any other business and to do any other acts in connection with the foregoing and to have and exercise all powers conferred by the laws of the State of Texas upon corporations formed under the Texas Business Corporation Act, and to do any or all of the things hereinabove set forth to the same extent as natural persons might or could do.

ARTICLE IV.

The aggregate number of shares which the corporation shall have the authority to issue is Five Hundred Thousand (500,000) shares of the par value of One Dollar (\$1.00) each.

ARTICLE V.

The corporation will not commence business until it has received for the issuance of its shares consideration of the value of One Thousand Dollars (\$1,000.00), consisting of money, labor done or property actually received.

ARTICLE VI.

The post office address of its initial registered office is P. O. Box 1777, 5-1/4 Miles North Ware Road, McAllen, Texas 78501, and the name of its initial registered agent at such address is J. T. CROSS.

ARTICLE VII.

The number of directors constituting the initial board of directors is three and the names and addresses of the persons to serve as

directors until the first annual meeting of the shareholders, or until their successors are elected and qualified, are:

J. T. CROSS
P. O. Box 1777
5-1/4 Miles North Ware Road
McAllen, Texas 78501

H. L. CROSS
P. O. Box 1777
5-1/4 Miles North Ware Road
McAllen, Texas 78501

ROBERT L. SCHWARZ
818 Pecan
McAllen, Texas 78501

ARTICLE VIII.

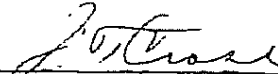
The names and addresses of the incorporators are:

J. T. CROSS
P. O. Box 1777
5-1/4 Miles North Ware Road
McAllen, Texas 78501


H. L. CROSS
P. O. Box 1777
5-1/4 Miles North Ware Road
McAllen, Texas 78501

ROBERT L. SCHWARZ
818 Pecan
McAllen, Texas 78501

IN WITNESS WHEREOF, we have hereunto set our hands on this, the 9 day of November, A. D. 1970.



J. T. Cross



H. L. Cross



Robert L. Schwarz

STATEMENT OF CHANGE OF REGISTERED
OFFICE OR REGISTERED AGENT OR BOTH
BY A TEXAS DOMESTIC CORPORATION.

283905-10

Filed in the Office of the
Secretary of State of Texas
This ...day of.....19.....
JUN 06 1984

1. The name of the corporation TEXAS PLANTATIONS, INC
2. The address, including street and number, of its present registered office as shown in the records of the Secretary of State of the State of Texas prior to filing this statement is P.O. Box 1777 5 1/4 M.L. NORTH
MCALEN, TX 78501
3. The address, including street and number, to which its registered office is to be changed is P.O. Box 1328
5 1/4 M.L. North, MCALEN, TX 78501
(Give new address of state "no change")
4. The name of its present registered agent, as shown in the records of the Secretary of State of the State of Texas, prior to filing this statement is J. T. CROSS
5. The name of its new registered agent is _____
H. L. CROSS
(Give new name or state "no change")
6. The address of its registered office and the address of the business office of its registered agent, as changed, will be identical.
7. Such change was authorized by its board of directors.

J. T. Cross, Pres.
President or Vice President

Sworn to May 29, 1984
(date)

Larry W. Clubb LARRY-W. CLUBB
Notary Public
Hidalgo County, Texas

STATEMENT OF CHANGE OF REGISTERED
OFFICE OR REGISTERED AGENT OR BOTH
BY A TEXAS DOMESTIC CORPORATION

FILED
In the Office of the
Secretary of State of Texas
DEC 05 1989

Corporations Section

1. The name of the corporation is Texas Plantations, Inc.

2. The address, including street and number, of its present registered office as shown in the records of the Secretary of State of the State of Texas before filing this statement is P.O. Box 1328
5 1/4 Miles North
McAllen, Tx. 78501

3. The address, including street and number, to which its registered office is to be changed is c/o C T Corporation System, 811 Dallas Avenue,
Houston, Texas 77002

(Give new address or state "no change")

4. The name of its present registered agent, as shown in the records of the Secretary of State of the State of Texas, before filing this statement is H. L. Cross

5. The name of its new registered agent is C T CORPORATION SYSTEM

(Give new name or state "no change")

6. The address of its registered office and the address of the business office of its registered agent, as changed, will be identical.

7. Such change was authorized by: (Check One)

A. The Board of Directors

B. An officer of the corporation so authorized by the Board of Directors.

C. Court-ordered Receiver
(see copy of attached
Order)

Donald B. Williamson
Senior Vice President and
Senior Trust Officer
An Authorized Officer - Donald Williamson
BancTexas-Dallas, N.A., Receiver for
Texas Plantations, Inc.

FILED
In the Office of the
Secretary of State of Texas

OCT 31 1991

Corporations Section

ARTICLES OF MERGER

Pursuant to the provisions of Article 5.04 of the Texas Business Corporation Act. FALCON REALTY SALES CO., INC., Charter No.00094349-0, and TEXAS PLANTATIONS, INC., Charter No.00283905-0, referred to as the "Constituent Corporations," adopt the following Articles of Merger for the purpose of merging TEXAS PLANTATIONS, INC. into FALCON REALTY SALES CO., INC.

1. The Plan of Merger that has been approved by each of the Constituent Corporations in the manner prescribed by the Texas Business Corporation Act, as set forth in Exhibit A, attached and incorporated by reference into these Articles as if same fully copied and set forth at length.

2. All of the Officers', Directors', and Shareholders' of the Plan of Merger contained in Exhibit A has been obtained, evidenced by the Joint Resolution contained in Exhibit B.

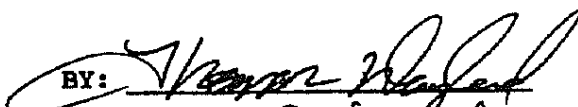
3. All (1334) shares outstanding and issued of TEXAS PLANTATIONS, INC. along with all (1000) shares outstanding and issued of FALCON REALTY SALES CO. INC. voted for the Plan of Merger, as set forth and approved in Exhibit A and B.

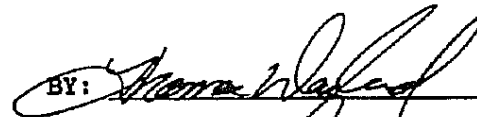
DATED: October 28, 1991

APPROVED AS TO FORM AND CONTENT:

FALCON REALTY SALES CO., INC.

TEXAS PLANTATIONS, INC.

BY: 
Vice President

BY: 
Vice President

CERTIFICATE OF SECRETARY

I, DONALD G. WILLIAMSON, Secretary of FALCON REALTY SALES CO., INC., on this 28th day of OCTOBER, 1991, hereby witness and attest to the above Articles.

Donald G. Williamson

CERTIFICATE OF SECRETARY

I, DONALD G. WILLIAMSON, Secretary of TEXAS PLANTATIONS, INC., on this 28th day of OCTOBER, 1991, hereby witness and attest to the above Articles.

Donald G. Williamson

PLAN AND AGREEMENT OF REORGANIZATION AND
CONSOLIDATION BY MERGER OF
TEXAS PLANTATIONS, INC. INTO FALCON REALTY SALES CO., INC.
UNDER THE NAME OF
FALCON REALTY SALES CO., INC.

This is a Plan and Agreement of Consolidation By Merger between TEXAS PLANTATIONS, INC., a Texas corporation, Charter No. 00283905-0, and FALCON REALTY SALES CO., INC., a Texas corporation, Charter No. 00094349-0, sometimes referred to in this Agreement and Process as the "Surviving Corporation." The parties to this Agreement are collectively referred to in this Agreement and Process as the "Constituent Corporation" or "Constituent Corporations." Consolidation By Merger is sometimes referred to in this Agreement and Process as "Merger."

ARTICLE 1

PLAN OF MERGER

Adoption of Plan

1.01. A tax-free plan of reorganization and consolidation of TEXAS PLANTATIONS, INC. into FALCON REALTY SALES CO., INC., pursuant to the provisions of Articles 5.01 et seq. of the Texas Business Corporation Act and Section 368(a)(1)(A) of the Internal Revenue Code, is adopted as follows:

(a) TEXAS PLANTATIONS, INC. shall be Consolidated By Merger into FALCON REALTY SALES CO., INC., while continuing to maintain and do business and to be governed by the laws of the State of Texas.

PLAN AND AGREEMENT OF
REORGANIZATION AND CONSOLIDATION BY MERGER

1

EXHIBIT-A

(b) The name of the Surviving Corporation shall be: FALCON REALTY SALES CO., INC.

(c) When this Agreement becomes effective, at the end of business day October 31, 1991, the existence of TEXAS PLANTATIONS, INC. as a distinct entity shall cease. At that time, the Surviving Corporation shall succeed, without the absolute necessity of other transfers, to all the rights and property of TEXAS PLANTATIONS, INC., and the Surviving Corporation shall be subject to all the debts and known liabilities of TEXAS PLANTATIONS, INC. in the same manner as if the Surviving Corporation had itself incurred the debts and knew of the liabilities. All rights of creditors and all liens on the property of TEXAS PLANTATIONS, INC. shall remain in force with respect to property affected by such liens immediately prior to the Consolidation By Merger.

(d) The Surviving Corporation shall carry on business with the assets of the Constituent Corporations as these corporations existed immediately prior to the Consolidation By Merger.

(e) The shareholders of TEXAS PLANTATIONS, INC., as the Disappearing Corporation, shall surrender all of their shares in the manner set forth in this Agreement.

(f) Because the ownership and owners of both corporations is the same, there is no need for exchange for the shares of TEXAS PLANTATIONS, INC. surrendered by its shareholders. The Surviving Corporation shall not issue and shall not transfer to such shareholders any additional stock at this time. If necessary, the Surviving Corporation shall amend its Articles of Incorporation as

set forth in this Agreement to provide for any additional issuance of such shares of the Surviving Corporation's stock necessary to the reorganization plan in accordance with its By-Laws.

(g) The shareholders of FALCON REALTY SALES CO., INC. shall retain their shares as shares in the same percent ownership of the Surviving Corporation.

Effective Date

1.02. The effective date of the Consolidation By Merger, referred to in this Agreement as the "Effective Date," shall be on October 31, 1991.

ARTICLE 2

REPRESENTATIONS AND WARRANTIES OF CONSTITUENT CORPORATIONS

2.01. To its knowledge, no actions, suits, or other legal proceedings are pending or threatened against TEXAS PLANTATIONS, INC. or FALCON REALTY SALES CO., INC., before or by any federal, state, or municipal court, department, board, bureau, or agency.

ARTICLE 3

TERMS, CONDITIONS, AND PROCEDURES PRIOR TO EFFECTIVE DATE

Submission to Shareholders and Filing

3.01. This Agreement has been submitted for approval separately to the shareholders of the Constituent Corporations in the manner provided by the laws of the State of Texas.

Consolidation Conditions

3.02. The notice of transfer or transfer of all rights, title

and interest known or unknown of the Disappearing Corporation have been or will be (formally and properly) transferred and recorded within the next fiscal year of the Surviving Corporation.

Interim Conduct of Business; Limitations

3.03. (a) Except as limited by this Paragraph 3.03, pending consummation of the Consolidation By Merger, each of the Constituent Corporations may carry on its business in substantially the same manner as prior to the date of this Agreement and will use its best efforts to maintain its business organization intact, to retain its present employees, and to maintain its good will in relationships with suppliers and others transacting business with the corporation.

(b) Except with the prior consent in writing of FALCON REALTY SALES CO., INC., pending consummation of the Consolidation By Merger, TEXAS PLANTATIONS, INC. shall not:

(i) Except on declaration and payment of a cash dividend on its common stock declare or pay any dividend or make any other distribution on its shares.

(ii) Create or issue any indebtedness for borrowed money.

(iii) Enter into any transactions other than those involved in carrying on its ordinary course of business.

Expenses

3.04. (a) If the Consolidation By Merger set forth in this Agreement is consummated, the Surviving Corporation shall pay all costs and expenses of the Consolidation By Merger or as agreed by the officers and directors of both corporations.

(b) If the Consolidation By Merger set forth in this Agreement is not consummated, each party to this Agreement shall pay its own costs and expenses incident to the contemplated Consolidation By Merger.

ARTICLE 4

MANNER AND BASIS OF CONVERTING SHARES

Manner of Converting Shares

4.01. The holders of shares ⁽³³⁴⁾ of TEXAS PLANTATIONS, INC. shall surrender their shares to the Secretary of the Surviving Corporation promptly after the Effective Date, with no exchange for shares of the Surviving Corporation.

Basis of Converting Shares

4.02. Because the ownership and owners of both Corporations is the same, there is no need for any exchange of stock at this time.

Capital Structure of Surviving Corporation

4.03. (a) The currently outstanding number of ⁽⁶⁰⁰⁾ shares of FALCON REALTY SALES CO., INC., shall remain the same as the current outstanding shares of the Surviving Corporation.

ARTICLE 5

DIRECTORS AND OFFICERS

Directors and Officers of Surviving Corporation

5.01. The present Board of Directors of FALCON REALTY SALES CO., INC. shall continue to serve as the Board of Directors of the

Surviving Corporation until the next annual meeting or, if necessary, until their successors have been elected and qualified.

5.02. If a vacancy exists on the Board of Directors of the Surviving Corporation on the Effective Date, the vacancy may be filled by the Board of Directors as provided in the bylaws of the Surviving Corporation.

5.03. All persons who at the Effective Date are executive or administrative officers of FALCON REALTY SALES CO., INC., shall remain as officers of the Surviving Corporation until the Board of Directors of the Surviving Corporation shall determine otherwise or as provided in Paragraph 5.01. The Board of Directors of the Surviving Corporation may elect or appoint such additional officers as it deems necessary.

5.04. On the Effective Date, the names of the Directors and principal officers of the Surviving Corporation are:

(a) Directors: Hubert L. Roberts

Thomas G. Wayland

Donald G. Williamson

(b) Officers: Hubert L. Roberts - President

Thomas G. Wayland - Vice President

Donald G. Williamson - Secretary/Treasurer

5.05. The directors and officers named in Paragraph 5.01 shall hold office until the next annual meeting of the shareholders of the Surviving Corporation or, if necessary, until their respective successors have been elected or appointed and qualified.

ARTICLE 6

ARTICLES OF INCORPORATION AND BYLAWS

6.01. The Articles of Incorporation of FALCON REALTY SALES CO., INC., as existing on the Effective Date, shall continue in full force as the Articles of the Surviving Corporation until amended as provided in the Articles or By-Laws.

APPROVED AS TO FORM AND CONTENT:

FALCON REALTY SALES CO., INC.

TEXAS PLANTATIONS, INC.

BY: *James W. Hayes*

BY: *James W. Hayes*

CERTIFICATE OF SECRETARY

I, DONALD G. WILLIAMSON, Secretary of FALCON REALTY SALES CO., INC. on this 28th day of OCTOBER, 1991, hereby witness and attest to the above plan and agreement.

Donald G. Williamson

CERTIFICATE OF SECRETARY

I, DONALD G. WILLIAMSON, Secretary of TEXAS PLANTATIONS, INC. on this 28th day of OCTOBER, 1991, hereby witness and attest to the above plan and agreement.

Donald G. Williamson

PLAN AND AGREEMENT OF REORGANIZATION AND CONSOLIDATION BY MERGER

JOINT RESOLUTION OF OFFICERS,
DIRECTORS AND SHAREHOLDERS

1. A Plan and Agreement of Consolidation By Merger, referred to in this Resolution as the "Plan and Agreement," a copy of which is attached to this Resolution and incorporated by reference, has been presented to a joint meeting and all formal notice requirements have been waived. The Plan and Agreement provides for a Consolidation By Merger between FALCON REALTY SALES CO., INC. and TEXAS PLANTATIONS, INC.

2. The officers, directors and shareholders have determined that it is in their best interests and the best interests of these Corporations that the terms and conditions of the Plan and Agreement be approved and performed.

3. THEREFORE, IT IS RESOLVED that:

(a) The Plan and Agreement between FALCON REALTY SALES CO., INC. and TEXAS PLANTATIONS, INC. submitted to this meeting on October 4, 1991, is approved in the form attached to this resolution.

(b) The Board of Directors and Officers of these Corporations are authorized on behalf of the Corporations to take all actions and to execute and file all documents that are necessary or convenient to carry out and perform the Plan and Agreement.

APPROVED AS TO FORM AND CONTENT:

FALCON REALTY SALES CO., INC.

TEXAS PLANTATIONS, INC.

BY: James G. Weyler BY: James G. Weyler

EXHIBIT-B

CERTIFICATE OF SECRETARY

I, DONALD G. WILLIAMSON, Secretary of FALCON REALTY SALES CO., INC. on this 28th day of OCTOBER, 1991, attest to the above resolution.

Donald G. Williamson

CERTIFICATE OF SECRETARY

I, DONALD G. WILLIAMSON, Secretary of TEXAS PLANTATIONS, INC. on this 28th day of OCTOBER, 1991, attest to the above resolution.

Donald G. Williamson



Corporation Search Results

Franchise Tax Certification of Account Status

This Certification Not Sufficient for Filings with Secretary of State

Do **not** include a certification from this Web site as part of a filing with the Secretary of State for dissolution, merger, withdrawal, or conversion. The Secretary of State will reject a filing that uses the certification from this site.

To obtain a certificate that is sufficient for dissolution, merger, or conversion, see Publication 98-336d, Requirements to Dissolve, Merge or Convert a Texas Entity.

Certification of Account Status	Officers And Directors Information
Company Information:	TEXAS PLANTATIONS INC PO BOX 2249 DALLAS, TX 75221-2249
Status:	NO STANDING, FRANCHISE RESPONSIBILITY ENDED
Registered Agent:	C T CORPORATION SYSTEM % C T CORPORATION SYSTEM, 811 DALLAS AVENUE HOUSTON, TX 77002
Registered Agent Resignation Date:	
State of Incorporation:	TX
File Number:	0028390500
Charter/COA Date:	November 12, 1970
Charter/COA Type:	Charter
Taxpayer Number:	17416769655

Carole Keeton Strayhorn
Texas Comptroller of Public Accounts

Window on State Government
Contact Us
Privacy and Security Policy

EXHIBIT "T"

**TEXAS PLANTATIONS INCORPORATED
CHARTER NO. 1273013-00
FORMED MAY 23, 1993**

ARTICLES OF INCORPORATION
OF
TEXAS PLANTATIONS INCORPORATED

FILED
In the Office of the
Secretary of State of Texas

MAY 28 1993
Corporations Section

The undersigned natural person of the age of eighteen (18) years or more acting as incorporator of a corporation under the Texas Business Corporation Act, hereby adopts the following Articles of Incorporation:

ARTICLE ONE

The name of the corporation is Texas Plantations Incorporated.

ARTICLE TWO

The period of duration is perpetual.

ARTICLE THREE

The purpose for which the corporation is organized is the transaction of any and all lawful business for which corporations may be incorporated under the Texas Business Corporation Act.

ARTICLE FOUR

The aggregate number of shares which the corporation shall have authority to issue is One Thousand (1,000) of the par value of One Dollar (\$1.00).

ARTICLE FIVE

The corporation will not commence business until it has received for the issuance of shares consideration of the value of One Thousand Dollars (\$1,000.00) consisting of money, labor done or property actually received.

ARTICLE SIX

The street address of its initial registered office is 3102 Oak Lawn Avenue, Suite 700, LB 135, Dallas, Texas 75219, and the name of its initial registered agent at such address is Donald G. Williamson.

ARTICLE SEVEN

The number of directors constituting the initial board of directors is One (1), and the name and address of the person who is to serve as director until the first annual meeting of the shareholders or until her successors are elected and qualified is:

Jane Cross
 Route 4, Box 851-A
 Edinburg, Texas 78539

ARTICLE EIGHT

The name and address of the incorporator is:

Lennette Dunbar
 Austin Services of Excelsior-Legal, Inc.
 814 San Jacinto Boulevard, Suite 409
 Austin, Texas 78701

Signed this 28th day of May, 1993.

Lennette Dunbar
 Lennette Dunbar,
 Incorporator

DISCLAIMER

The undersigned, being the incorporator of Texas Plantations Incorporated, a corporation filed by the Secretary of State of the State of Texas, does hereby disclaim any and all interest in said corporation.

Signed this 28th day of May, 1993.

Lennette Dunbar
 Lennette Dunbar,
 Incorporator

FILED
In the Office of the
Secretary of State of Texas

APR 25 1994

Corporations Section

**ARTICLES OF AMENDMENT
BY THE SHAREHOLDERS TO
THE ARTICLES OF INCORPORATION OF
TEXAS PLANTATIONS INCORPORATED**

Pursuant to the provisions of Article 4.04 of the Texas Business Corporation Act, the undersigned corporation adopts the following Articles of Amendment to its Articles of Incorporation

I

The name of the corporation is Texas Plantations Incorporated

II

The following amendment to the Articles of Incorporation was adopted by the shareholders of the corporation on April 21, 1994

III

The amendment amends Article Four of the original Articles of Incorporation to read as follows

Article Four

The aggregate number of shares which the corporation shall have authority to issue is One Hundred Thousand (100,000) of the par value of One Dollar (\$1.00)

IV

The amendment amends Article Six of the original Articles of Incorporation to read as follows

Article Six

The street address of its initial registered office is Route 4, Box 851-A, Edinburg, Texas 78539, and the name of its initial registered agent at such address is Jane Cross

V

The amendment adds the following Article Nine which reads as follows

Article Nine

a This corporation is a close corporation as defined by the Texas Business Corporation Act

b No shares and no securities evidencing the right to acquire shares shall be issued by means of public offering, solicitation or advertisement

c All the corporation's shares and securities shall be subject to restrictions on transfer as permitted by Article 2 22 of the Texas Business Corporation Act

d All issued shares, excluding treasury shares, and all issued securities evidencing the right to acquire shares of the corporation shall be held of record by no more than thirty-five (35) persons in the aggregate

VI

The number of shares of the corporation issued and outstanding at the time of such adoption was 1,000 and the number of shares entitled to vote thereon was 1,000


VII

The number of shares voted for such amendment was 1,000 and the number of shares voted against such amendment was zero Accordingly, such amendment was unanimously approved by the shareholders

VIII

The holders of all of the shares outstanding entitled to vote on the amendment have signed a consent in writing adopting such amendment

Dated April 21, 1994


Jane Cross, President


Daniel Sereni, Secretary

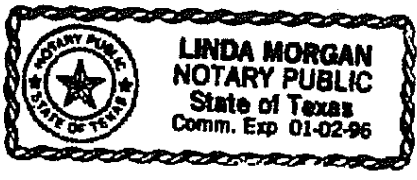
STATE OF TEXAS
COUNTY OF HIDALGO

This instrument was acknowledged before me on April 21 1994, by Jane Cross and Daniel Sereni

Linda Morgan
Notary Public's Signature

Linda Morgan
[Notary's typed or printed name]

My commission expires 1-2-96
[or Notary's stamp]



(Seal)

**RATIFICATION AND CONSENT IN LIEU OF A SPECIAL MEETING OF
THE DIRECTORS OF TEXAS PLANTATIONS INCORPORATED**

Pursuant to Article 9 10 of the Texas Business Corporation Act, the undersigned, being all of the directors of the corporation do hereby unanimously consent to and ratify the resolutions listed below

Resolved, that the corporation amend its Articles of Incorporation to authorize the issuance of an additional 999,000 shares of the corporation's common stock, making a total of 100,000 authorized shares,

Resolved, that the corporation amend its Articles of Incorporation to authorize the change of the corporation's registered office to Route 4, Box 851-A, Edinburg, Texas 78539, and to authorize the change of the corporation's registered agent at such address to Jane Cross

Resolved, that the corporation amend its Articles of Incorporation to authorize the adoption of close corporation status, that no securities evidencing the right to acquire shares shall be issued by means of public offering, solicitation or advertisement, all the corporation's shares and securities shall be subject to restrictions on transfer as permitted by Article 2 22 of the Texas Business Corporation Act, and that all issued shares, excluding treasury shares, and all issued securities evidencing the right to acquire shares of the corporation shall be held of record by no more than thirty-five (35) persons in the aggregate

Resolved, that the amendments to the Corporation's Articles of Incorporation described above be submitted to the shareholders of the corporation for their approval,

Resolved, that all of the proceedings of the board of directors and officers since the last meeting of the board of directors and all actions taken by the members of the board of directors or by the officers of the corporation for and on behalf of the corporation are hereby ratified and approved in all respects

Dated April 21, 1994


Jane Cross, Director

RATIFICATION AND CONSENT IN LIEU OF A SPECIAL MEETING OF THE SHAREHOLDERS OF TEXAS PLANTATIONS INCORPORATED

I

Pursuant to Article 9 10 of the Texas Business Corporation Act, the undersigned, being all the shareholders of the corporation, do hereby unanimously consent to and ratify the action described below


Resolved, that the attached Article of Amendment to the corporation's Articles of Incorporation providing for the following amendments is hereby adopted

1 The amendment authorizes the issuance of an additional 999,000 shares of the corporation's common stock, making a total of 100,000 authorized shares

2 The amendment authorizes the change of the corporation's registered office to Route 4, Box 851-A, Edinburg, Texas 78539, and authorizes the change of the corporation's registered agent at such address to Jane Cross

3 The amendment authorizes the adoption of close corporation status, that no securities evidencing the right to acquire shares shall be issued by means of public offering, solicitation or advertisement, all the corporation's shares and securities shall be subject to restrictions on transfer as permitted by Article 2 22 of the Texas Business Corporation Act, and that all issued shares, excluding treasury shares, and all issued securities evidencing the right to acquire shares of the corporation shall be held of record by no more than thirty-five (35) persons in the aggregate

Dated April 21, 1994


Jane Cross, Shareholder

**ASSUMED NAME CERTIFICATE OF
TEXAS PLANTATIONS INCORPORATED,
A TEXAS CORPORATION**

FILED
In the Office of the
Secretary of State of Texas

APR 25 1994

Corporations Section

**STATE OF TEXAS
COUNTY OF HIDALGO**

I, Jane Cross, President of Texas Plantations Incorporated, a Texas business corporation, for the purpose of complying with Section 36 11 of the Business and Commerce Code of the State of Texas, do hereby certify the following facts

1 That the assumed name under which the corporation will conduct and transact business is TPI, of Edinburg, Hidalgo County, Texas

2 That the true and full name of the corporation conducting or transacting the business is Texas Plantations Incorporated, a Texas Corporation and the charter number is 1273013

3 The state, country, or other jurisdiction under the laws of which the Corporation was incorporated is Texas, and the address of its registered or similar office in that jurisdiction is 3102 Oak Lawn Avenue, Suite 700, LB 135, Dallas Texas 75219

4 The Corporation is required to maintain a registered office in Texas, and the address of the registered office is 3102 Oak Lawn Avenue, Suite 700, LB 135, Dallas, Texas 75219, and the name of its registered agent at this address is Donald G Williamson The address of the principal office of the Corporation is Route 4, Box 851-A, Edinburg, Texas 78539

5 The corporation will use the assumed name from April 1, 1994 until March 31, 2004

6 The Corporation will transact business under its assumed name in all the counties of Texas

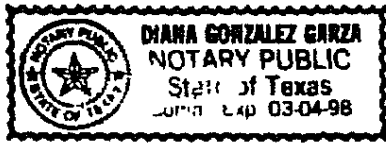
I have signed this certificate this 11 day of April, 1994

Texas Plantations Incorporated,
a Texas Corporation

By Jane Cross
Jane Cross, its President

State of Texas
County of Hidalgo

This instrument was acknowledged before me on April 11, 1994, by Jane Cross,
President of Texas Plantations Development, A Texas Corporation, on behalf of the corporation



Diana Gonzalez Garza
Notary Public, State of Texas
My Commission Expires 1998



Office of the
Secretary of State

Corporations Section

P O. Box 13697
Austin, Texas 78711-3697

**STATEMENT OF CHANGE OF REGISTERED OFFICE OR
REGISTERED AGENT OR BOTH BY A CORPORATION, FILED
LIMITED LIABILITY COMPANY OR LIMITED PARTNERSHIP** Office of the
Secretary of State of Texas

NOV 30 1995

1. The name of the entity is TEXAS PLANTATIONS INC
The entity's charter/certificate of authority/file number is 1273013 Corporations Section
2. The registered office address as PRESENTLY shown in the records of the Texas secretary of state is: 3102 Oak Lawn Avenue Suite 700 CB 135 DALLAS TEXAS 75219.
3. A. The address of the NEW registered office is: (Please provide street address, city, state and zip code. The address must be in Texas.)
Rt. 13, Box 143 Edinburg, Texas 78539
OR B. The registered office address will not change.
4. The name of the registered agent as PRESENTLY shown in the records of the Texas secretary of state is Donald G Williamson.
5. A. The name of the NEW registered agent is DANIEL SERENI
OR B. The registered agent will not change.
6. Following the changes shown above, the address of the registered office and the address of the office of the registered agent will continue to be identical, as required by law.
7. The changes shown above were authorized by:
Business Corporations may select A or B Limited Liability Companies may select D or E
Non-Profit Corporations may select A, B, or C Limited Partnerships select F
 - A. The board of directors; OR
 - B. An officer of the corporation so authorized by the board of directors; OR
 - C. The members of the corporation in whom management of the corporation is vested pursuant to article 2.14C of the Texas Non-Profit Corporation Act.
 - D. Its members
 - E. Its managers
 - F. The limited partnership

Daniel Sereni Vice President
(Authorized Officer of Corporation)
(Authorized Member or Manager of LLC)
(General Partner of Limited Partnership)



The State of Texas
Secretary of State

SECRETARY OF STATE
 AUSTIN, TEXAS

**DETERMINATION OF FORFEITURE PURSUANT TO SECTION 171.309, TEXAS
 TAX CODE ANNOTATED**

**CAME TO BE CONSIDERED ON THE DATE SHOWN HEREON, FORFEITURE
 OF THE CHARTER OR CERTIFICATE OF AUTHORITY OF THE
 FOLLOWING CORPORATION; THE SECRETARY OF STATE FINDS AND
 DETERMINES THE FOLLOWING:**

CORPORATION NAME

TEXAS PLANTATIONS INCORPORATED

CHARTER NO.--TYPE	RTDB FORFEITED	CERTIFICATE/CHARTER FORFEITED
1273013-00	03/09/1999	08/20/1999

**THAT THE COMPTROLLER OF PUBLIC ACCOUNTS HAS NOTIFIED THIS
 OFFICE THAT SAID CORPORATION HAS FAILED TO FILE A CURRENT
 YEAR FRANCHISE TAX REPORT TO ESTABLISH THE EXISTENCE OF
 ASSETS FROM WHICH A JUDGEMENT FOR THE FRANCHISE TAXES,
 PENALTIES AND COURT COSTS MAY BE SATISFIED.
 THAT THE COMPTROLLER OF PUBLIC ACCOUNTS HAS FURTHER STATED
 THAT THE SAID CORPORATION HAS FAILED OR REFUSED TO REVIVE
 ITS RIGHT TO DO BUSINESS.**

**IT IS THEREFORE ORDERED THAT THE CHARTER OR CERTIFICATE OF
 AUTHORITY OF THE ABOVE NAMED CORPORATION BE AND THE SAME IS
 HEREBY FORFEITED WITHOUT JUDICIAL ASCERTAINMENT AND MADE
 NULL AND VOID, AND THAT THE PROPER ENTRY BE MADE UPON THE
 PERMANENT FILES AND RECORDS OF SUCH CORPORATION TO SHOW
 SUCH FORFEITURE AS OF THE DATE HEREOF.**

PUBLIC INFORMATION REPORT (PIR) NOTIFICATION

Prior to tax year 2002 copies of Public Information Reports may not have been retained by the Secretary of State of Texas. If you have received this notification in place of a listed report prior to that date you must contact the Comptroller of Public Accounts at (512) 463-4600 to request copies of the record.



Corporation Search Results

Franchise Tax Certification of Account Status

This Certification Not Sufficient for Filings with Secretary of State

Do **not** include a certification from this Web site as part of a filing with the Secretary of State for dissolution, merger, withdrawal, or conversion. The Secretary of State will reject a filing that uses the certification from this site.

To obtain a certificate that is sufficient for dissolution, merger, or conversion, see Publication 98-336d, Requirements to Dissolve, Merge or Convert a Texas Entity.

Certification of Account Status	Officers And Directors Information
Company Information:	TEXAS PLANTATIONS INCORPORATED 1305 N DEPOT RD EDINBURG, TX 78539-9468
Status:	NOT IN GOOD STANDING
Registered Agent:	DANIEL SERENI RT. 13, BOX 143 EDINBURG, TX 78539
Registered Agent Resignation Date:	
State of Incorporation:	TX
File Number:	0127301300
Charter/COA Date:	May 28, 1993
Charter/COA Type:	Charter
Taxpayer Number:	30116730174

Carole Keeton Strayhorn
Texas Comptroller of Public Accounts

Window on State Government
Contact Us
Privacy and Security Policy

EXHIBIT "U"

**TEXAS PLANTATIONS DEVELOPMENT
A TEXAS CORPORATION
CHARTER NO. 1306831
FORMED MARCH 24, 1994**

FILED
In the Office of the
Secretary of State of Texas

**ARTICLES OF INCORPORATION OF
TEXAS PLANTATIONS DEVELOPMENT,
A TEXAS CORPORATION**

MAR 24 1994

Corporations Section

ARTICLE I.

The name of the corporation is Texas Plantations Development, a Texas Corporation.

ARTICLE II.

The period of its duration is perpetual.

**ARTICLE III.
PURPOSES**

3.01. The purpose or purposes for which the corporation is organized are for the transaction of any or all lawful business which corporations may engage in under the laws of Texas including but not limited to the following:

- a. To carry on any business or any other legal or lawful activity that the Board of Directors may decide.
- b. To acquire, own, use, develop, convey and otherwise dispose of and deal in real property or any interest therein.
- c. To have and exercise all rights and powers that are now or may hereafter be granted to a corporation by law.

3.02. The foregoing shall be construed as objects, purposes and powers, and enumeration thereof shall not be held to limit or restrict in any manner the powers hereafter conferred on this corporation by the laws of the State of Texas.

3.03. The corporation may in its bylaws confer powers, not in conflict with law, upon its directors in addition to the foregoing and in addition to the powers and authorities expressly conferred upon them by statute.

ARTICLE IV.

The aggregate number of shares which the corporation has authority to issue is 100,000 shares at a par value of one dollar (\$1.00) per share.

ARTICLE V.

The name of the corporation's registered agent is:
Daniel Sereni

The address of the corporation's registered office is:
Route 4, Box 851-A, Edinburg, Texas 78539

**ARTICLE VI.
PREEMPTIVE RIGHTS**

The shareholders of this corporation shall not have the preemptive right to subscribe to any and all issues of shares and securities of this corporation.

**ARTICLE VII.
CUMULATIVE VOTING**

The shareholders shall not have the right of cumulative voting.

**ARTICLE VIII.
ISSUANCE OF STOCK**

The corporation will not commence business until it has received for the issuance of its shares consideration in the value of at least One Thousand and No/100 (\$1,000.00) Dollars, consisting of money, labor done, or property actually received.

**ARTICLE IX
CLOSE CORPORATION**

- a. This corporation is a close corporation as defined by the Texas Business Corporation Act.
- b. No shares and no securities evidencing the right to acquire shares shall be issued by means of public offering, solicitation or advertisement.
- c. All the corporation's shares and securities shall be subject to restrictions on transfer as permitted by Article 2.22 of the Texas Business Corporation Act.
- d. All issued shares, excluding treasury shares, and all issued securities evidencing the right to acquire shares of the corporation shall be held of record by no more than thirty-five (35) persons in the aggregate.

**ARTICLE X.
INDEMNIFICATION**

10.01. The corporation shall indemnify every director or officer, his or her heirs, executors and administrators, against expenses actually and reasonably incurred by him or her, as well as any amount paid upon a judgment, in connection with any action, suit or proceeding, civil or criminal, to which he or she may be made a party to by reason of having been a director or officer of the corporation.

10.02. This indemnification is being given since the directors will be requested to act by the corporation, for the corporations benefit.

10.03. The indemnification shall not be exclusive of other rights to which the director may be entitled.

**ARTICLE XI.
DIRECTORS**

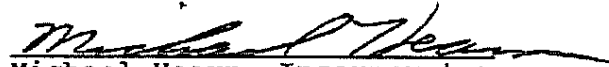
The number of directors constituting the initial board of directors is two (2), and the names and addresses of the persons who are to serve as initial directors until the first annual meeting of the shareholders or until their successors are elected and qualified are:

- 1. Jane Cross, Route 4, Box 851-A, Edinburg, Texas, 78539.
- 2. Daniel Sereni, Route 4, Box 851-A, Edinburg, Texas, 78539.

**ARTICLE XII.
INCORPORATOR**

The name and address of the incorporator is Michael Hearn, 4309 North Tenth, Mcallen, Texas 78504.

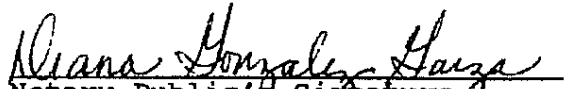
In witness whereof, and for the purpose of forming the corporation under the laws of the State of Texas, I, the undersigned incorporator of this corporation have executed these Articles of Incorporation on March 23, 1994.


 Michael Hearn, Incorporator

STATE OF TEXAS
COUNTY OF HIDALGO

This instrument was acknowledged before me on the 23rd day of March, 1994, by Michael Hearn.




 Notary Public's Signature
 Diana Gonzalez Garza
 Notary's typed or printed name
 My commission expires 1998

FILED
In the Office of the
Secretary of State of Texas

APR 25 1994

Corporations Section

**ASSUMED NAME CERTIFICATE OF
TEXAS PLANTATIONS DEVELOPMENT,
A TEXAS CORPORATION**

**STATE OF TEXAS
COUNTY OF HIDALGO**

I, Daniel Sereni, President of Texas Plantations Development, A Texas Corporation, a business corporation, for the purpose of complying with Section 36.11 of the Business and Commerce Code of the State of Texas, do hereby certify the following facts

1 That the assumed name under which the corporation will conduct and transact business is Texas Plantations, of Edinburg, Hidalgo County, Texas

2 That the true and full name of the corporation conducting or transacting the business is Texas Plantations Development, A Texas Corporation and the charter number is 1306831

3 The state, country, or other jurisdiction under the laws of which the Corporation was incorporated is Texas, and the address of its registered or similar office in that jurisdiction is Route 4, Box 851-A, Edinburg, Hidalgo County, Texas

4 The Corporation is required to maintain a registered office in Texas, and the address of the registered office is Route 4, Box 851-A, Edinburg, Texas 78539, and the name of its registered agent at this address is Daniel Sereni. The address of the principal office of the Corporation is Route 4, Box 851-A, Edinburg, Hidalgo County, Texas 78539

5 The corporation will use the assumed name from April 1, 1994 until March 31, 2004

6 The Corporation will transact business under its assumed name in all the counties of Texas

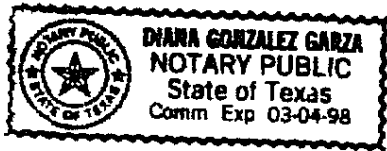
I have signed this certificate this 11 day of April, 1994

Texas Plantations Development,
A Texas Corporation

By Daniel Sereni
Daniel Sereni, its President

State of Texas
County of Hidalgo

This instrument was acknowledged before me on April 11, 1994, by Daniel Sereni,
President of Texas Plantations Development, A Texas Corporation, on behalf of the corporation



Diana Gonzalez Garza
Notary Public, State of Texas
My Commission Expires 1998

**ASSUMED NAME CERTIFICATE OF
TEXAS PLANTATIONS DEVELOPMENT,
A TEXAS CORPORATION**

FILED
In the Office of the
Secretary of State of Texas

APR 25 1994

Corporations Section

**STATE OF TEXAS
COUNTY OF HIDALGO**

I, Daniel Sereni, President of Texas Plantations Development, A Texas Corporation, a business corporation, for the purpose of complying with Section 36.11 of the Business and Commerce Code of the State of Texas, do hereby certify the following facts

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2 That the true and full name of the corporation conducting or transacting the business is Texas Plantations Development, A Texas Corporation and the charter number is 1306831

3 The state, country, or other jurisdiction under the laws of which the Corporation was incorporated is Texas, and the address of its registered or similar office in that jurisdiction is Route 4, Box 851-A, Edinburg, Hidalgo County, Texas

4 The Corporation is required to maintain a registered office in Texas, and the address of the registered office is Route 4, Box 851-A, Edinburg, Texas 78539, and the name of its registered agent at this address is Daniel Sereni The address of the principal office of the Corporation is Route 4, Box 851-A, Edinburg, Hidalgo County, Texas 78539

5 The corporation will use the assumed name from April 1, 1994 until March 31, 2004

6 The Corporation will transact business under its assumed name in all the counties of Texas

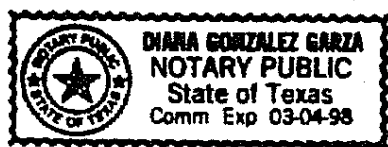
I have signed this certificate this 11 day of April, 1994

Texas Plantations Development,
A Texas Corporation

By Daniel Sereni
Daniel Sereni, its President

State of Texas
County of Hidalgo

This instrument was acknowledged before me on April 11, 1994, by Daniel Sereni,
President of Texas Plantations Development, A Texas Corporation, on behalf of the corporation



Diana Gonzalez Garza
Notary Public, State of Texas
My Commission Expires 1998

PUBLIC INFORMATION REPORT (PIR) NOTIFICATION

Prior to tax year 2002 copies of Public Information Reports may not have been retained by the Secretary of State of Texas. If you have received this notification in place of a listed report prior to that date you must contact the Comptroller of Public Accounts at (512) 463-4600 to request copies of the record.

03262182256

a. F Code 13196 Franchise 16196 Bank
TEXAS FRANCHISE TAX
PUBLIC INFORMATION REPORT

3333 b.

Do not write in the space above	
c. Taxpayer identification number 17427016328	d. Report year 2003

MUST be filed to satisfy franchise tax requirements

Corporation name and address
TEXAS PLANTATIONS DEVELOPMENT ATC
13201 N 23RD ST
EDINBURG TX 78539

EARE408 9186
2H11 5/1/00
Secretary of State file number or, if none, Comptroller unchartered number

Item k on Franchise Tax Report form, Page 1 g. 0130683177

The following information MUST be provided for the Secretary of State (SOS) by each corporation or limited liability company that files a Texas Corporation Franchise Tax Report. Use additional sheets for Sections A, B, and C, if necessary. The information will be available for public inspection.

Please sign below!

If the preprinted information is not correct, please type or print the correct information.

Blacken this circle completely if there are currently no changes to the information preprinted in Sections A, B, and C of this report.

Corporation's principal office

Principal place of business

SECTION A. Name, title, and mailing address of each officer and director.

NAME DANIEL R SERENI	TITLE PRES	DIRECTOR <input checked="" type="checkbox"/> YES	Social Security No. (Optional)
MAILING ADDRESS 13201 N 23RD ST EDINBURG TX 78539			Term expiration (mm-dd-yyyy)
NAME JANE CROSS SERENI	TITLE V/P	DIRECTOR <input checked="" type="checkbox"/> YES	Social Security No. (Optional)
MAILING ADDRESS 13201 N 23RD ST EDINBURG TX 78539			Term expiration (mm-dd-yyyy)
NAME	TITLE	DIRECTOR <input type="checkbox"/> YES	Social Security No. (Optional)
MAILING ADDRESS			Term expiration (mm-dd-yyyy)
NAME	TITLE	DIRECTOR <input type="checkbox"/> YES	Social Security No. (Optional)
MAILING ADDRESS			Term expiration (mm-dd-yyyy)
NAME	TITLE	DIRECTOR <input type="checkbox"/> YES	Social Security No. (Optional)
MAILING ADDRESS			Term expiration (mm-dd-yyyy)

SECTION B. List each corporation or limited liability company, if any, in which this reporting corporation or limited liability company owns an interest of ten percent (10%) or more. Enter the information requested for each corporation or limited liability company.

Name of owned (subsidiary) corporation	State of incorporation	Texas SOS file number	Percentage Interest

SECTION C. List each corporation or limited liability company, if any, that owns an interest of ten percent (10%) or more in this reporting corporation or limited liability company. Enter the information requested for each corporation or limited liability company.

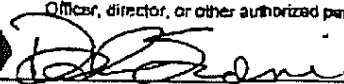
Name of owning (parent) corporation	State of incorporation	Texas SOS file number	Percentage Interest

Registered agent and registered office currently on file. (See instructions if you need to make changes.)

Agent:
Office:

Blacken this circle if you need forms to change this information.

I declare that the information in this document and any attachments is true and correct to the best of my knowledge and belief and that a copy of this report has been mailed to each person named in this report who is an officer or director and who is not currently employed by this corporation or limited liability company or a related corporation.

sign here 	Officer, director, or other authorized person	Title President	Date 9/15/2003	Daytime phone (Area code and no.) (956) 381-0625 ATX
---	---	--------------------	-------------------	--

Filing Number: 130683100
04309190374

05-102 (Rev. 2-02/01)
a. T Code 13196 Franchise

16196 Bank

3333
RECEIVED
OCT 29 2004

Do not write in the space above

**TEXAS FRANCHISE TAX
PUBLIC INFORMATION REPORT**

MUST be filed to satisfy franchise tax requirements

c. Taxpayer identification number 17427016328	d. Report year 2004
--	------------------------

Corporation name and address
TEXAS PLANTATIONS DEVELOPMENT ATE
 13201 N 23RD ST
 EDINBURG TX 78539

e. PIR / IND 1, 2, 3, 4

Secretary of State file number or, if none, Comptroller unchartered number

Form k on Franchise Tax Report form, Page 1 **0130683177**

The following information MUST be provided for the Secretary of State (SOS) by each corporation or limited liability company that files a Texas Corporation Franchise Tax Report. Use additional sheets for Sections A, B, and C, if necessary. The information will be available for public inspection.

Please sign below!

If the preprinted information is not correct, please type or print the correct information.

Blacken this circle completely if there are currently no changes to the information preprinted in Sections A, B, and C of this report.

Corporation's principal office

Principal place of business

SECTION A. Name, title, and mailing address of each officer and director.

NAME DANIEL R SERENI	TITLE PRES	DIRECTOR <input checked="" type="checkbox"/> YES	Social Security No. (Optional)
MAILING ADDRESS 13201 N 23RD ST EDINBURG TX 78539			Term expiration (mm-dd-yyyy)
NAME JANE CROSS SERENI	TITLE V/P	DIRECTOR <input checked="" type="checkbox"/> YES	Social Security No. (Optional)
MAILING ADDRESS 13201 N 23RD ST EDINBURG TX 78539			Term expiration (mm-dd-yyyy)
NAME	TITLE	DIRECTOR <input type="checkbox"/> YES	Social Security No. (Optional)
MAILING ADDRESS			Term expiration (mm-dd-yyyy)
NAME	TITLE	DIRECTOR <input type="checkbox"/> YES	Social Security No. (Optional)
MAILING ADDRESS			Term expiration (mm-dd-yyyy)
NAME	TITLE	DIRECTOR <input type="checkbox"/> YES	Social Security No. (Optional)
MAILING ADDRESS			Term expiration (mm-dd-yyyy)

SECTION B. List each corporation or limited liability company, if any, in which this reporting corporation or limited liability company owns an interest of ten percent (10%) or more. Enter the information requested for each corporation or limited liability company.

Name of owned (subsidiary) corporation	State of incorporation	Texas SOS file number	Percentage interest
Name of owned (subsidiary) corporation	State of incorporation	Texas SOS file number	Percentage interest

SECTION C. List each corporation or limited liability company, if any, that owns an interest of ten percent (10%) or more in this reporting corporation or limited liability company. Enter the information requested for each corporation or limited liability company.

Name of owning (parent) corporation	State of incorporation	Texas SOS file number	Percentage interest
-------------------------------------	------------------------	-----------------------	---------------------

Registered agent and registered office currently on file. (See instructions if you need to make changes.)

Agent:
Office:

Blacken this circle if you need forms to change this information.

I declare that the information in this document and any attachments is true and correct to the best of my knowledge and belief and that a copy of this report has been mailed to each person named in this report who is an officer, director and who is not currently employed by this corporation or limited liability company or a related corporation.

sign here <i>Daniel R Sereni</i>	Officer, director, or other authorized person	Title V-Pres	Date 10/29/04	Daytime phone (Area code and no.) 956-381-0625
-------------------------------------	---	-----------------	------------------	---



Corporation Search Results

Franchise Tax Certification of Account Status

This Certification Not Sufficient for Filings with Secretary of State

Do **not** include a certification from this Web site as part of a filing with the Secretary of State for dissolution, merger, withdrawal, or conversion. The Secretary of State will reject a filing that uses the certification from this site.

To obtain a certificate that is sufficient for dissolution, merger, or conversion, see Publication 98-336d, Requirements to Dissolve, Merge or Convert a Texas Entity.

Certification of Account Status	Officers And Directors Information
Company Information:	TEXAS PLANTATIONS DEVELOPMENT A TEXAS CORPORATION 13201 N DEPOT RD EDINBURG, TX 78541-8323
Status:	IN GOOD STANDING NOT FOR DISSOLUTION OR WITHDRAWAL through November 15, 2005
Registered Agent:	DANIEL SERENI RT. 4 BOX 851-A EDINBURG, TX 78539
Registered Agent Resignation Date:	
State of Incorporation:	TX
File Number:	0130683100
Charter/COA Date:	March 24, 1994
Charter/COA Type:	Charter
Taxpayer Number:	17427016328

Carole Keeton Strayhorn
Texas Comptroller of Public Accounts

Window on State Government
Contact Us
Privacy and Security Policy

EXHIBIT "V"

**BURRITO ON THE RIO, INC
CHARTER NO. 0158281600
FORMED MAY 16, 2000**

**Articles of Incorporation
of
Burrito on the Rio, Inc.
(A Close Corporation)**

FILED
In the Office of the
Secretary of State of Texas
MAY 16 2000
Corporations Section

ARTICLE ONE

The name of the Corporation is Burrito on the Rio, Inc.

ARTICLE TWO

The period of its duration is perpetual.

ARTICLE THREE

The purpose for which the Corporation is organized is the transaction of any and all lawful business for which a corporation may be incorporated under the Texas Business Corporation Act.

ARTICLE FOUR

The aggregate number of shares which the Corporation shall have authority to issue is One Thousand (1,000) The shares shall have a par value of Ten Dollars (\$10.00).

ARTICLE FIVE

The Corporation will not commence business until it has received for the issuance of its shares consideration of the value of \$1,000 00, consisting of money, labor done or property actually received.

ARTICLE SIX

The street address of its initial Registered Office, and the name of its initial Registered Agent at this address, is as follows

Donald G Williamson
3102 Oak Lawn Avenue, Suite 700
Dallas, Texas 75219

ARTICLE SEVEN

The number of initial Directors is two. The names and addresses of the initial directors are

Daniel Sereni
13201 North 23rd Street
Edinburg, Texas 78539

Jane Cross Sereni
13201 North 23rd Street
Edinburg, Texas 78539

ARTICLE EIGHT

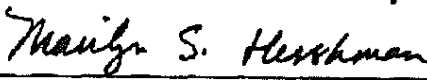
This Corporation is a close corporation

ARTICLE NINE

The name and address of the Incorporator is:

Marilyn S. Hershman
408 W 17th Street, Suite 101
Austin, Texas 78701-1207
(512) 474-2002

IN WITNESS WHEREOF. I have hereunto set my hand this 16th day of May, 2000.



Marilyn S. Hershman, Incorporator

05-102 (Rev 7/20/01)

3333

b

a T Code 13196 Franchise 16196 Bank

TEXAS FRANCHISE TAX PUBLIC INFORMATION REPORT

MUST be filed to satisfy franchise tax requirements

Corporation name and address

BURRITO ON THE RIO, INC DBA WRAPIDZ
13201 N 23RD STREET
EDINBURG TX 78539

4/30/04
241051104

Do not write in this space

04131192086

c Taxpayer identification number 32002431743	d Report year 2003
---	-----------------------

e PIR / IND <input type="checkbox"/> 1, 2, 3, 4	Secretary of State file number or, if none, Comptroller unchartered number
Item k on Franchise Tax Report form, Page 1	g <input type="checkbox"/> 0158281600

The following information MUST be provided for the Secretary of State (SOS) by each corporation or limited liability company that files a Texas Corporation Franchise Tax Report Use additional sheets for Sections A, B, and C, if necessary The information will be available for public inspection

Please sign below!

If the preprinted information is not correct, please type or print the correct information

Blacken this circle completely if there are currently no changes to the information preprinted in Sections A, B, and C of this report

Corporation's principal office

Principal place of business

SECTION A. Name, title, and mailing address of each officer and director

NAME DAN SERENI	TITLE PRES	DIRECTOR <input checked="" type="checkbox"/> YES	Social Security No (Optional)
MAILING ADDRESS 13201 N 23RD STREET EDINBURG TX 78539			Term expiration (mm dd-yyyy)
NAME JANE CROSS SERENI	TITLE V/P	DIRECTOR <input checked="" type="checkbox"/> YES	Social Security No (Optional)
MAILING ADDRESS			Term expiration (mm dd-yyyy)
NAME	TITLE	DIRECTOR <input type="checkbox"/> YES	Social Security No (Optional)
MAILING ADDRESS			Term expiration (mm dd-yyyy)
NAME	TITLE	DIRECTOR <input type="checkbox"/> YES	Social Security No (Optional)
MAILING ADDRESS			Term expiration (mm dd-yyyy)
NAME	TITLE	DIRECTOR <input type="checkbox"/> YES	Social Security No (Optional)
MAILING ADDRESS			Term expiration (mm dd-yyyy)

SECTION B List each corporation or limited liability company, if any, in which this reporting corporation or limited liability company owns an interest of ten percent (10%) or more Enter the information requested for each corporation or limited liability company

Name of owned (subsidiary) corporation	State of incorporation	Texas SOS file number	Percentage Interest
Name of owned (subsidiary) corporation	State of incorporation	Texas SOS file number	Percentage Interest

SECTION C. List each corporation or limited liability company, if any, that owns an interest of ten percent (10%) or more in this reporting corporation or limited liability company Enter the information requested for each corporation or limited liability company

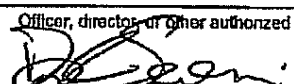
Name of owning (parent) corporation NONE	State of incorporation	Texas SOS file number	Percentage Interest
---	------------------------	-----------------------	---------------------

Registered agent and registered office currently on file (See instructions if you need to make changes)

Agent
Office

Blacken this circle if you need forms to change this information

I declare that the information in this document and any attachments is true and correct to the best of my knowledge and belief and that a copy of this report has been mailed to each person named in this report who is an officer or director and who is not currently employed by this corporation or limited liability company or a related corporation

sign here 	Officer, director, or other authorized person	Title PRESIDENT	Date 4/30/04	Daytime phone (Area code and no) 956-381-0625 ATX
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**Forfeiture pursuant to Section 171.309 of the Texas Tax Code
of
BURRITO ON THE RIO, INC.**

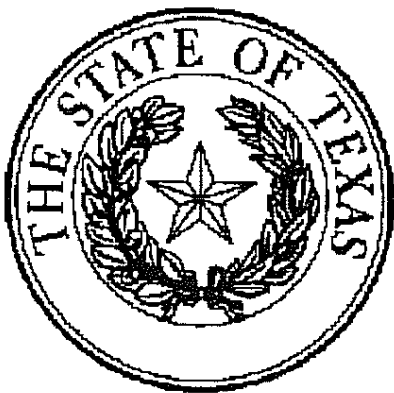
File Number : 158281600

Certificate / Charter forfeited : February 13, 2004

The Secretary of State hereby determines and finds the following:

1. The Secretary of State received certification from the Comptroller of Public Accounts under Section 171.302 of the Texas Tax Code that there are grounds for forfeiture of the charter or certificate of authority of the referenced entity.
2. That the entity has not revived its forfeited corporate privileges within 120 days after the date that the corporation privileges were forfeited.
3. The Comptroller of Public Accounts has determined that the entity does not have assets from which a judgment for any tax, penalty, or court costs imposed under Chapter 171 of the Code may be satisfied.

It is therefore ordered that charter or certificate of authority of the referenced entity be forfeited without judicial ascertainment and that the proper entry be made upon the permanent files and records of such entity to show such forfeiture as of the date hereof.



A handwritten signature in black ink, appearing to read "G. Connor".

Geoffrey S. Connor
Secretary of State

Come visit us on the Internet @<http://www.sos.statc.tx.us/>



Office of the Secretary of State
 Corporations Section
 P.O. Box 13697
 Austin, Texas 78711-3697

FILED
 In the Office of the
 Secretary of State of Texas

MAY 07 2004

Corporations Section


**APPLICATION FOR REINSTATEMENT AND
 REQUEST TO SET ASIDE REVOCATION OR FORFEITURE**

Name of entity: Burrito on the Rio, Inc

File No.: 0158281600

Taxpayer ID No.: 32002431743

- The entity named above was forfeited or its certificate of authority was revoked on February 13, 2004 for the following reason:
 (date)
 (check one)
 (a) failure to maintain a registered agent;
 (b) failure to file a franchise tax return and/or pay state franchise tax;
 (c) other:
- The entity has corrected the default and has paid all fees, taxes, and penalties due.
- The entity applies for reinstatement and requests that the secretary of state set aside the forfeiture or the revocation of its certificate of authority.

By 
 (signature)
 President

 (title)

INSTRUCTIONS FOR FILING APPLICATION FOR REINSTATEMENT

1. SIGNATURE:

CORPORATIONS - An application for reinstatement by a corporation forfeited for failure to file a franchise tax return and/or pay state franchise taxes must be signed by an officer, director or shareholder of the corporation. All other applications must be signed by an officer or director of the corporation.

LIMITED LIABILITY COMPANIES - An application for reinstatement by a limited liability company must be signed by a manager or member of the limited liability company.

2. FEES:

Business Corporation or Foreign Limited Liability Company under 1(a) or (c)	\$50.00
Texas Limited Liability Company under 1(a) or (c)	\$10.00
Non-Profit Corporation under 1(a) or (c)	\$25.00
Business Corporation or Texas or Foreign Limited Liability Company under 1(b)	\$75.00
Non-Profit Corporation under 1(b)	No Fee



**COMPTROLLER OF PUBLIC ACCOUNTS
STATE OF TEXAS
AUSTIN, 78774**

**MCALLEN ENFORCEMENT OFFICE
3231 NORTH McCOLL RD.
MCALLEN, TEXAS 78501-5538**

May 4, 2004

Texas Secretary of State
Corporation Section

To whom it may concern:

Burrito on the Rio Inc, 0158281600 has paid all franchise taxes through December 31, 2004, and is eligible for reinstatement through May 16, 2005, the next franchise tax report due date.

If you have any questions, feel free to call me at 956/687-9227.

Sincerely,


Judith L. Montalvo
Enforcement Officer

Taxpayer Number: 32002431743

Do not write in this space

a. T Code 13196 Franchise 16196 Bank

TEXAS FRANCHISE TAX PUBLIC INFORMATION REPORT

MUST be filed with your Corporation Franchise Tax Report

c. Taxpayer identification number 32002431743	d. Report year 2004
--	------------------------

Corporation name and address
Baldern on the Red Sea

JMON 29261 2/11/05 1044

e. PIR / IND <input type="checkbox"/> 1, 2, 3, 4
Secretary of State file number or, if none, Comptroller unchartered number
g. ■
Item k on Franchise Tax Report form, Page 1 015828160

The following information MUST be provided for the Secretary of State (S.O.S.) by each corporation or limited liability company that files a Texas Corporation Franchise Tax Report. The information will be available for public inspection.

SECTION A MUST BE COMPLETE AND ACCURATE.

If preprinted information is not correct, please type or print the correct information.

Please sign below!

Blacken this circle completely if there are currently no changes to the information preprinted in Sections A, B, and C of this report.

Corporation's principal office 13201 N. 23rd St
Principal place of business Edinburg TX 78539

SECTION A Name, title and mailing address of each officer and director. Use additional sheets, if necessary.

NAME Daniel Sereni	TITLE Pres	DIRECTOR <input type="checkbox"/> YES	Social Security No. (Optional)
MAILING ADDRESS 13201 N 23rd St Edinburg			Expiration date (mm-dd-yyyy)
NAME	TITLE	DIRECTOR <input type="checkbox"/> YES	Social Security No. (Optional)
MAILING ADDRESS			Expiration date (mm-dd-yyyy)
NAME	TITLE	DIRECTOR <input type="checkbox"/> YES	Social Security No. (Optional)
MAILING ADDRESS			Expiration date (mm-dd-yyyy)
NAME	TITLE	DIRECTOR <input type="checkbox"/> YES	Social Security No. (Optional)
MAILING ADDRESS			Expiration date (mm-dd-yyyy)
NAME	TITLE	DIRECTOR <input type="checkbox"/> YES	Social Security No. (Optional)
MAILING ADDRESS			Expiration date (mm-dd-yyyy)

SECTION B. List each corporation or limited liability company, if any, in which this reporting corporation or limited liability company owns an interest of ten percent (10%) or more. Enter the information requested for each corporation. Use additional sheets, if necessary.

Name of owned (subsidiary) corporation	State of incorporation	Texas S.O.S. file number	Percentage interest
Name of owned (subsidiary) corporation	State of incorporation	Texas S.O.S. file number	Percentage interest

SECTION C. List each corporation or limited liability company, if any, that owns an interest of ten percent (10%) or more in this reporting corporation or limited liability company. Enter the information requested for each corporation or limited liability company. Use additional sheets, if necessary.

Name of owning (parent) corporation	State of incorporation	Texas S.O.S. file number	Percentage interest
Name of owning (parent) corporation	State of incorporation	Texas S.O.S. file number	Percentage interest

Registered agent and registered office (Changes must be filed separately with the Secretary of State.)

Agent: Daniel Sereni
Office: 13201 N. 23rd St Edinburg

Blacken this circle if you need forms to change this information.

I declare that the information in this document and any attachments is true and correct to the best of my knowledge and belief and that a copy of this report has been mailed to each person named in this report who is an officer or director and who is not currently employed by this corporation or limited liability company or a related corporation.

sign here	Officer, director, or other authorized person	Title Pres	Date 5/4/04	Daytime phone (Area code and number) 937 381 0625
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Corporation Search Results

Franchise Tax Certification of Account Status

This Certification Not Sufficient for Filings with Secretary of State

Do **not** include a certification from this Web site as part of a filing with the Secretary of State for dissolution, merger, withdrawal, or conversion. The Secretary of State will reject a filing that uses the certification from this site.

To obtain a certificate that is sufficient for dissolution, merger, or conversion, see Publication 98-336d, Requirements to Dissolve, Merge or Convert a Texas Entity.

Certification of Account Status	Officers And Directors Information
Company Information:	BURRITO ON THE RIO INC 13201 N DEPOT RD EDINBURG, TX 78541-8323
Status:	NOT IN GOOD STANDING
Registered Agent:	DONALD G WILLIAMSON 3102 OAK LAWN AVE, STE. 700 AUSTIN, TX 75219
Registered Agent Resignation Date:	
State of Incorporation:	TX
File Number:	0158281600
Charter/COA Date:	May 16, 2000
Charter/COA Type:	Charter
Taxpayer Number:	32002431743

Carole Keeton Strayhorn
Texas Comptroller of Public Accounts

Window on State Government
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EXHIBIT "W"

RIVAS

VS

SERENI ETAL

CASE NO. 7:94-CV-00102

FILED 6/06/1994

7:94-cv-00102 Rivas v. Sereni, et al

Ricardo H. Hinojosa, presiding

Date filed: 06/06/1994

Date terminated: 08/02/1994 **Date of last filing:** 08/02/1994

Parties

Jane Cross

d/b/a Texas Plantations

Added: 06/06/1994

(Defendant)

represented by

Michael E Hearn

Attorney at Law

5425 SPID

Ste 180

Corpus Christi, TX 78411

361-985-0600

Assigned: 07/25/1994

LEAD ATTORNEY

ATTORNEY TO BE NOTICED

Bernabe Rivas

Added: 06/06/1994

(Plaintiff)

represented by

David Gray Hall

Texas Rural Legal Aid Inc

259 S Texas

Weslaco, TX 78596

210-968-6574

Assigned: 06/06/1994

LEAD ATTORNEY

ATTORNEY TO BE NOTICED

Marinda Van Dalen

Boekelosestraat 30

7548 AW Enschede

The Netherlands

011-31-53-450-0067

Assigned: 06/06/1994

LEAD ATTORNEY

ATTORNEY TO BE NOTICED

Daniel Sereni

d/b/a Texas Plantations

Added: 06/06/1994

(Defendant)

represented by

Michael E Hearn

Attorney at Law

5425 SPID

Ste 180

Corpus Christi, TX 78411

361-985-0600

Assigned: 07/25/1994

LEAD ATTORNEY

ATTORNEY TO BE NOTICED

PACER Service Center			
Transaction Receipt			
08/31/2005 01:39:05			
PACER Login:	██████████	Client Code:	██████████
Description:	Party List	Search Criteria:	7:94-cv-00102
Billable Pages:	1	Cost:	██████████

7:94-cv-00102 Rivas v. Sereni, et al
 Ricardo H. Hinojosa, presiding
Date filed: 06/06/1994
Date terminated: 08/02/1994 **Date of last filing:** 08/02/1994

Pending Statuses

There Are No Pending Status Records For This Case.

No statuses have been terminated for this case.

PACER Service Center			
Transaction Receipt			
08/31/2005 01:42:32			
PACER Login:	██████████	Client Code:	██████████
Description:	Status	Search Criteria:	7:94-cv-00102
Billable Pages:	1	Cost:	██████████

7:94-cv-00102 Rivas v. Sereni, et al

Ricardo H. Hinojosa, presiding

Date filed: 06/06/1994

Date terminated: 08/02/1994 Date of last filing: 08/02/1994

History

Doc. No.	Dates	Description
--	Filed: 06/06/1994 Entered: 06/07/1994	Summons Issued
	<i>Docket Text:</i> SUMMONS issued for Daniel Sereni, Jane Cross (ndavila)	
1	Filed: 06/06/1994 Entered: 06/07/1994	Complaint
	<i>Docket Text:</i> COMPLAINT filed; FILING FEE \$ 120.00 RECEIPT # 704185 (ndavila)	
2	Filed: 06/06/1994 Entered: 06/07/1994 Terminated: 06/09/1994	Motion to Appear Pro Hac Vice
	<i>Docket Text:</i> MOTION for Marinda van Dalen to appear pro hac vice by Bernabe Rivas, Motion Docket Date Forthwith [2-1] motion , filed. (ndavila)	
3	Filed: 06/06/1994 Entered: 06/07/1994	Order
	<i>Docket Text:</i> ORDER for conference set initial pretrial conference for 2:30 8/4/94 before Judge Ricardo H. Hinojosa , entered; Parties notified. (signed by Judge Ricardo H. Hinojosa) (Instructions for the Preparation of the Joint Report of the Meeting and Joint Discovery/Case Management Plan Under Rule 26(f) FRCP attached to order) (ndavila)	
4	Filed: 06/09/1994 Entered: 06/10/1994	Order
	<i>Docket Text:</i> ORDER granting plaintiff's [2-1] motion for Marinda van Dalen to appear pro hac vice , entered; Parties notified. (signed by Judge Ricardo H. Hinojosa) (ndavila)	
5	Filed & Entered: 06/15/1994	Return of Service Executed
	<i>Docket Text:</i> RETURN OF SERVICE executed as to Daniel Sereni 6/13/94 , filed. Answer due on 7/3/94 for Daniel Sereni (ndavila)	
6	Filed & Entered: 06/16/1994	Return of Service Executed
	<i>Docket Text:</i> RETURN OF SERVICE executed as to Jane Cross 6/13/94, filed. Answer due on 7/3/94 for Jane Cross (ndavila)	
--	Filed & Entered: 07/25/1994	Remark
	<i>Docket Text:</i> Case settled pursuant to joint report of the meeting and joint discovery/case management plan (ndavila)	
7	Filed & Entered: 07/25/1994	Report of Rule 26(f) Planning Meeting
	<i>Docket Text:</i> Joint Report of Meeting and Joint Discovery/Case Management Plan by Bernabe Rivas, Daniel Sereni, Jane Cross , filed. (ndavila)	
	Filed: 08/02/1994	Terminate Case

	<i>Entered:</i>	08/03/1994	
	<i>Docket Text:</i> Case closed (ndavila)		
8	<i>Filed:</i>	08/02/1994	Motion to Dismiss
	<i>Entered:</i>	08/03/1994	
	<i>Terminated:</i>	08/02/1994	
	<i>Docket Text:</i> JOINT MOTION to dismiss by plaintiff Bernabe Rivas, Motion Docket Date Forthwith , filed (ndavila)		
9	<i>Filed:</i>	08/02/1994	Order
	<i>Entered:</i>	08/03/1994	
	<i>Docket Text:</i> ORDER OF DISMISSAL granting [8-1] joint motion to dismiss , entered; ORDERED cause DISMISSED in all regards with prejudice, all costs assessed against party incurring same. Parties notified. (signed by Judge Ricardo H. Hinojosa) (ndavila)		

PACER Service Center			
Transaction Receipt			
08/31/2005 01:44:22			
PACER Login:	██████████	Client Code:	██████████
Description:	History/Documents	Search Criteria:	7:94-cv-00102
Billable Pages:	1	Cost:	██████████

Case File Location

Case Number	Volume	Case Title	Result
7:94-cv-00102	CS1	Rivas v. Sereni, et al	The case file may be available.

PACER Service Center			
Transaction Receipt			
08/31/2005 01:45:39			
PACER Login:	[REDACTED]	Client Code:	[REDACTED]
Description:	Case File Location	Search Criteria:	7:94-cv-00102
Billable Pages:	1	Cost:	[REDACTED]

EXHIBIT "X"

**RESUME OF DANIEL R. SERENI
ON FILE WITH TDHCA**

13201 N. 23rd St.
Edinburg, Texas 78541

956.381.0625
956.381.0611 fax
dsereni@cynosuregroup.com

Daniel R. Sereni

Objective Continue to grow in business and to provide "Quality Housing" at a "Fair Price"

Experience 2004–Present Cynosure Developers, LLC. Corpus Christi, TX
President

- Developer of Multifamily Housing Projects

1992–2004 Falcon Mortgage Services Edinburg, TX
Owner

- Mortgage Servicing Bureau
- Originator of Single Family Residential Loans

1989–2004 Texas Plantations Development Edinburg, TX
Developer / Owner

- Ravenswood Subdivision – Mixed Use Gated Community, 42 Units
- Paloma del Valle Subdivision – Single Family Community, 239 units
- Citrus City Estates – Single Family Community, 206 Units
- Awarded Best Home in Price Range by McAllen Home Builders Assoc.

1985–1989 Pacific Coast Builders San Francisco, CA
Owner / Builder

- Redevelopment of Homes in the Historic area of Pacific Heights
- Multifamily Project Rehab in the San Francisco Bay Area
- Redevelopment of Homes in Historic Sausalito, Marin County

1987–1989 Balliet Bros. Construction San Francisco, CA
Superintendent / Foreman

- Rehab of a 34 Story High Rise, located in Oakland CA.
- Standard Oil Refinery, Research Laboratory Renovations
- Convalesant / Retirement Home Renovation – Mill Valley, CA

1985–1987 Eichler Homes Marin County, CA
Superintendent / Foreman

- Employed by Ned Eichler, son of Joseph Eichler - Designer
- Rehab of Eichler Homes throughout the San Francisco Bay Area

Education 1971–1975 San Francisco, CA

- United Brotherhood of Carpenters and Joiners Union, Apprentice
- California State Board of Realtors, Licensed Agent
- California Association of Realtors, Associate Member

Interests Ravenswood Architectural Review Committee, tennis, gardening, computers.

Daniel Sereni – Experience Narrative

Daniel Sereni was born and raised in the San Francisco Bay Area. He attended primary, middle, and high school in an area known as the Peninsula, south of San Francisco. After high school he relocated with his father to Marin County, north of San Francisco across the Golden Gate Bridge.

Dan became a member of the united brotherhood of carpenters, and was involved with their apprenticeship program, and at the same time worked for many well established contractors throughout the San Francisco Bay Area. As his experience broadened, he was able to rise to the position of foreman and eventually serve as a superintendent on large commercial and industrial projects.

During the late 1970's and early 1980's, the real estate market was booming throughout San Francisco and the Bay Area, and his father being a real estate broker was actively involved in that market. Dan joined forces with his father, and bought, renovated, and sold residential and commercial properties throughout the area.

During this time Dan became a licensed realtor in the state of California, and eventually started the General Contracting Firm of Pacific Coast Builders.

Dan eventually focused on the high end market that existed in Marin County and developed relationships with some of the top architects in the area. This enabled him to complete many high end residential projects, and eventually specialize in the Rehabilitation of historic homes. Dan successfully completed many restorations of turn of the century Victorians and other Architectural gems.

In 1987 Dan met his wife, who was born and raised in the Rio Grande Valley of South Texas, but was currently living in Sausalito, California. The opportunity to develop in the Rio Grande Valley, because of his wife's land holdings, prompted them to relocate to Texas and take advantage of the emerging market there.

After relocating to Texas, the firm of Texas Plantations Development was formed, and has since been responsible for developing many residential single family and multi-family projects throughout the valley.

In 1992 Dan formed Falcon Mortgage Services (FMS), to service the growing loan market being created by the increase in development. FMS originates loans, and acts as closing agent, escrow agent and servicing agent, for various entities.

Dan has built, sold and managed gated communities in the valley, and currently serves on the board, as well as the architectural review committee of these communities.

Dan has recently joined forces with Mark Bower, CPA and together have formed the company of Cynosure Developers, LLC. and are pursuing the Multi family market throughout Texas.

EXHIBIT "Y"

**ROLLING CREEK APARTMENTS
ORGANIZATIONAL CHART OF OWNERSHIP
ON FILE WITH TDHCA**

Rolling Creek Apartments

Organizational Chart of Ownership

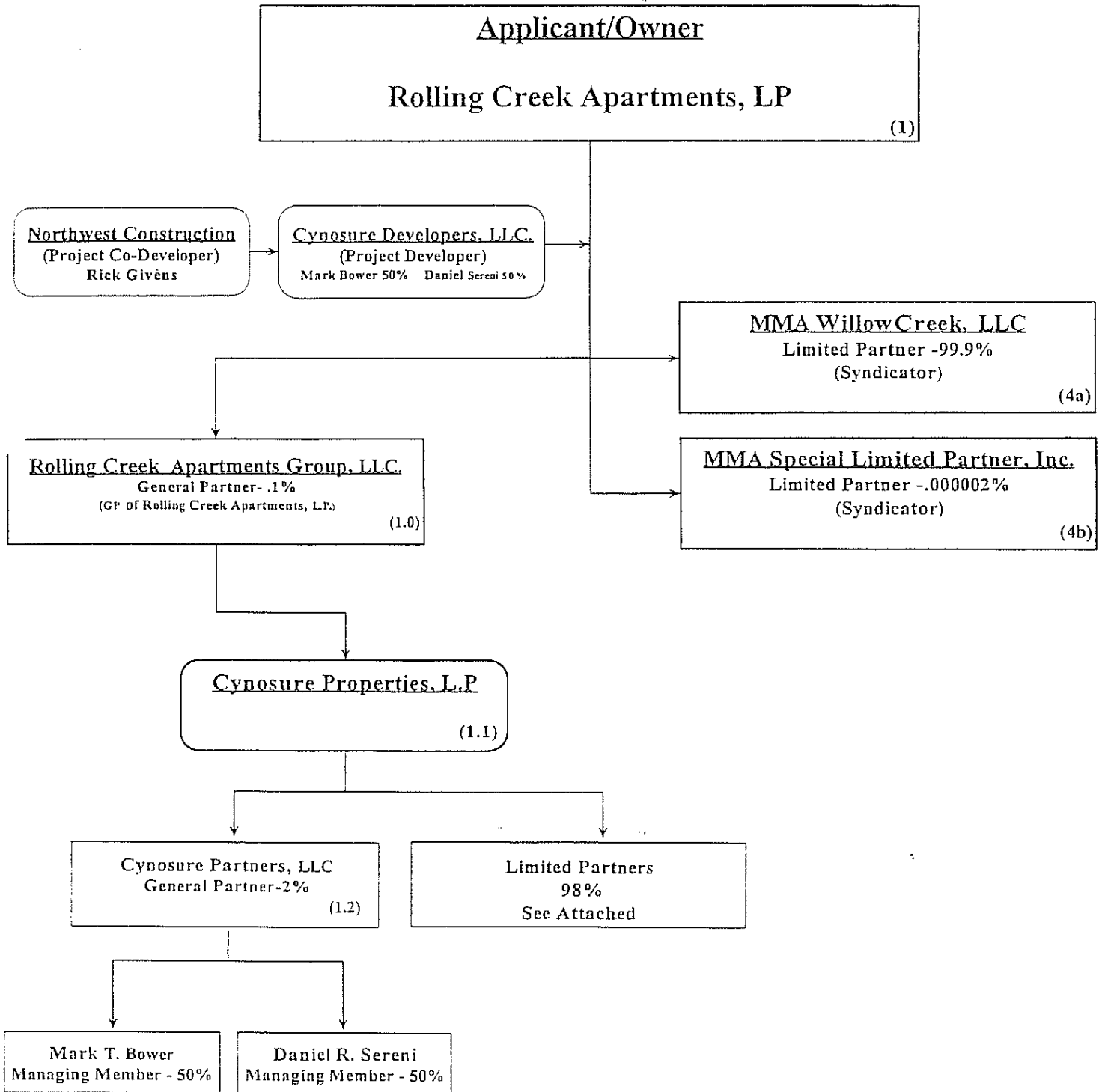


EXHIBIT "Z"

**RECORDS OF COMPANIES
INVOLVED (3 NOT ON EX. Y)**

FILED
In the Office of the
Secretary of State of Texas
DEC 08 2004

**CERTIFICATE OF LIMITED PARTNERSHIP OF
ROLLING CREEK APARTMENTS, LP**

Corporations Section

The undersigned, desiring to form a Limited Partnership pursuant to the Texas Revised Limited Partnership Act as set forth in Article 6132(a)-1 of the Texas Revised Civil Statutes Annotated, do hereby certify:

**I.
Partnership Name**

ROLLING CREEK APARTMENTS, LP shall be the name under which the Partnership shall conduct its business.

**II.
Partnership Registered Office and Agent**

The address of the registered office shall be 5430 Holly Road, Suite 8, Corpus Christi, Nueces County, Texas 78411, and the name and address of the registered agent for service of process shall be Mark T. Bower 5430 Holly Road, Suite 8, Corpus Christi, Nueces County, Texas 78411.

**III.
Partnership Principal Office**

The address of the principal office in the United States where records are to be kept or made available is 5430 Holly Road, Suite 8, Corpus Christi, Nueces County, Texas 78411.

**III.
General Partners**

The name, mailing address and street address of the general partners of the Partnership are:

ROLLING CREEK APARTMENTS GROUP, LLC
5430 Holly Road, Suite 8, Corpus Christi, Nueces County, Texas 78411

**IV.
Partnership Business**

The character of the business intended to be transacted by the Partnership is to engage generally in, but not limited to, the business of acquiring, owning, building and preserving, for investment purposes, real property and other personal property investments.

EFFECTIVE as of December 7, 2004.

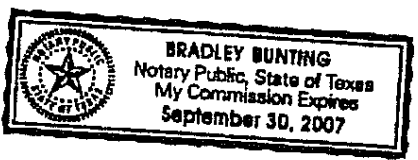
**ROLLING CREEK APARTMENTS GROUP,
LLC**


By: **MARK T. BOWER,**
Manager

THE STATE OF TEXAS §
 §
COUNTY OF NUECES §

BEFORE ME, the undersigned authority, on this day personally appeared **ROLLING CREEK APARTMENTS GROUP, LLC**, by **MARK T. BOWER, MANAGER**, known to me to be the person whose name is subscribed to the foregoing instrument as General Partner and acknowledged to me that such General Partner executed the same for the purposes and considerations therein expressed, in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on December 7, 2004.



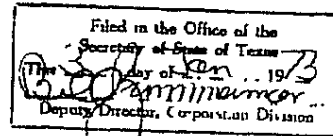

NOTARY PUBLIC, STATE OF TEXAS

PREPARED BY:

Bradley Bunting, JD, CPA
Board Certified
Estate Planning & Probate Law
Texas Board of Legal Specialization
BUNTING & BUNTING, P.C.
500 N. Shoreline Blvd., Suite 307
Corpus Christi, Texas 78471
(361) 881-6060
FAX (361) 881-6089

ARTICLES OF INCORPORATION
OF

NORTHWEST CONSTRUCTION COMPANY, INC.



We, the undersigned natural persons of the age of twenty-one years or more, at least two of whom are citizens of the State of Texas, acting as incorporators of a corporation under the Texas Business Corporation Act, do hereby adopt the following Articles of Incorporation for such corporation:

ARTICLE ONE

The name of the corporation is NORTHWEST CONSTRUCTION COMPANY, INC.

ARTICLE TWO

The period of its duration is perpetual.

ARTICLE THREE

The purpose or purposes for which the corporation is organized are.

To engage in the general construction and contracting business.

To erect, construct, improve, rebuild, repair, maintain, buy, sell, trade and otherwise deal in and with buildings and structures of every description, and to accumulate and lend money for such purposes.

To operate, manage, supervise, render advisory services to, direct or control all or any part of the business and property of any corporation, association, partnership, combination, organization, entity or individual, domestic or foreign, by contract or otherwise, and to receive for such services fixed or contingent compensation, or compensation in the form of commissions, management fees, shares in gross or net receipts of profits or in any

other manner or upon any other terms whatsoever, or so to act without direct compensation; to promote, participate or assist in any way in the business of any such corporation, association, partnership, combination, organization, entity or individual.

To purchase, acquire by lease, sell, grant by lease, rent, sublease, improve, develop and subdivide real property in incorporated cities, towns and villages and their suburbs not extending more than two miles beyond their corporate limits, and in unincorporated cities, towns and villages and their suburbs not extending more than two miles in any direction from the courthouse or depot nearest the center of such city, town or village, or from the center thereof if there be no courthouse or depot, and to accumulate and lend money for such purposes.

To engage in any manufacturing, mercantile or trading business, and to manufacture, produce, process, refine, develop, purchase or otherwise acquire, handle, distribute, sell, market and generally deal in and with goods, wares, merchandise, articles of commerce and personal property of every description.

Provided, however, nothing contained in this Article Three shall be construed as authorizing the corporation to conduct any business prohibited by Part Four of the Texas Miscellaneous Corporation Laws Act or by any other laws of the State of Texas.

ARTICLE FOUR

The aggregate number of shares which the corporation shall have authority to issue is One Hundred Thousand (100,000) shares of the par value of One Dollar (\$1.00) each.

ARTICLE FIVE

The corporation will not commence business until it has received for the issuance of its shares consideration of the value of not less than One Thousand Dollars (\$1,000.00), consisting of money, labor done or property actually received.

ARTICLE SIX

The post office address of its initial registered office is 11848-B E. Northwest Highway, Dallas, Texas, and the name of its initial registered agent at such address is O. D. Hawley.

ARTICLE SEVEN

The number of directors constituting the initial board of directors is three, and the names and addresses of the persons who are to serve as directors until the first annual meeting of the shareholders or until their successors are elected and qualified are:

O. D. Hawley
9744 Wisterwood
Dallas, Texas

Bob R. McDonald
9123 Shoreview
Dallas, Texas

Richard H. Sikes
9509 Windy Hill
Dallas, Texas

ARTICLE EIGHT

The names and addresses of the incorporators are:

William D. Powell
1500 - 211 North Ervay
Dallas, Texas 75201

Lester V. Baum
1500 - 211 North Ervay
Dallas, Texas 75201

Ernest E. Specks
1500 - 211 North Ervay
Dallas, Texas 75201

ARTICLE NINE

Cumulative voting for directors is prohibited, and the directors of the corporation shall be elected by plurality vote.

ARTICLE TEN

The shareholders of the corporation hereby delegate to the board of directors the power to adopt, alter, amend or repeal the bylaws of the corporation, and such power shall be deemed

to be vested exclusively in the board of directors and shall not be exercised by the shareholders.

ARTICLE ELEVEN

No shareholder of this corporation shall by reason of his holding shares of any class have any preemptive or preferential right to purchase or subscribe for any shares of any class of this corporation, now or hereafter to be authorized, or any notes, debentures, bonds or other securities convertible into or carrying options or warrants to purchase shares of any class, now or hereafter to be authorized, whether or not the issuance of any shares, or such notes, debentures, bonds or other securities would adversely affect the dividend or voting rights of such shareholder, other than such rights, if any, as the board of directors in its discretion may grant to the shareholders to purchase such additional securities; and the board of directors may issue additional or treasury shares of any class of this corporation, or any notes, debentures, bonds or other securities convertible into or carrying options or warrants to purchase shares of any class without offering the same in whole or in part to the existing shareholders of any class.

IN WITNESS WHEREOF, we have hereunto set our hands this


7th day of December, 1942



William D. Powell



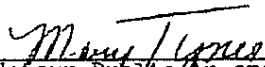
Lester V. Baum



Ernest E. Specks

STATE OF TEXAS)
)
COUNTY OF DALLAS)

I, MARY TYNER, a Notary Public, do hereby certify that on this 2nd day of December, 1972, personally appeared before me WILLIAM D. POWELL, LESTER V. BAUM and ERNEST E. SPECKS, who each being by me first duly sworn, severally declared that they are the persons who signed the foregoing instrument as incorporators, and that the statements therein contained are true.



Notary Public, in and for Dallas
County, Texas

December 21, 1972

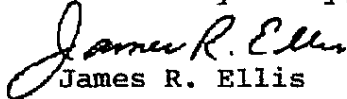
Secretary of State
Capitol Station
Austin, Texas.

Dear Sir,

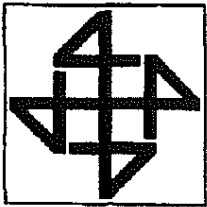
On October 31, 1972 your office granted
in my name the exclusive use of the name
Northwest Construction Company.

I hereby transfer and release the right
to this name in favor of O. D. Hawley,
Richard H. Sikes and James R. Jackson
collectively or individually it being
my intention to relinquish all rights
to this name to the above parties or
their attorneys.

Yours very truly,


James R. Ellis

JRE/dc

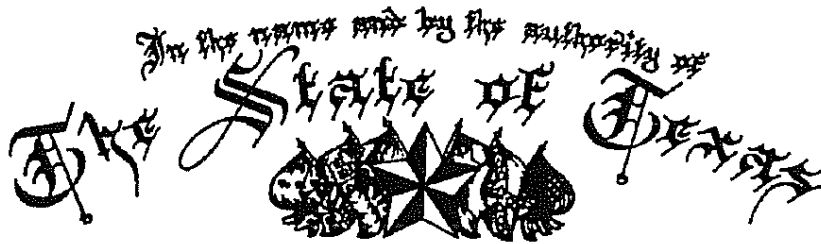


FOUR SQUARE
PROPERTIES
INC

P O BOX 18207
DALLAS, TEXAS 75218

EASTGATE PLAZA
13600 LBJ FREEWAY
SUITE 1600

214-270-2481



OFFICE OF THE SECRETARY OF STATE

CERTIFICATE OF RESERVATION OF
CORPORATE NAME
OF

NORTHWEST CONSTRUCTION COMPANY

The undersigned, as Secretary of State of the State of Texas, hereby certifies that the above corporate name has been reserved in this office for the exclusive use of James R Ellis for a period of one hundred twenty days after the date hereof, pursuant to the provision of Article 2.06 of the Texas Business Corporation Act.

Dated October 31, 19 72


Secretary of State

STATEMENT OF CHANGE OF REGISTERED OFFICE OR REGISTERED AGENT OR BOTH BY A TEXAS DOMESTIC CORPORATION

FILED In the Office of the Secretary of State of Texas AUG 27 1984 Clerk II S Corporations Section

- 1. The name of the corporation Northwest Construction Company, Inc.
2. The address, including street and number, of its present registered office as shown in the records of the Secretary of State of the State of Texas prior to filing this statement is 11845-B East Northwest Highway, Dallas, Texas 75218
3. The address, including street and number, to which its registered office is to be changed is 11908 East Northwest Highway, Dallas, Texas 75218 (Give new address or state "no change")
4. The name of its present registered agent, as shown in the records of the Secretary of State of the State of Texas, prior to filing this statement is O. D. Howley
5. The name of its new registered agent is Richard H. Sikes (Give new name or state "no change")
6. The address of its registered office and the address of the business office of its registered agent, as changed, will be identical.
7. Such change was authorized by its board of directors.

Richard H. Sikes /Richard H. Sikes, President President or Vice President

Sworn to 08-23-84 (date)

Ruth S. Larimore Notary Public Dallas County, Texas

STATEMENT OF CHANGE OF REGISTERED
OFFICE OR REGISTERED AGENT OR BOTH
BY A TEXAS DOMESTIC CORPORATION

FILED
In the Office of the
Secretary of State of Texas
AUG 17 1987
Clerk II-G
Corporations Section

- 1. The name of the corporation Northwest Construction Company, Inc.

- 2. The address, including street and number, of its present registered office as shown in the records of the Secretary of State of the State of Texas prior to filing this statement is 11908 E. Northwest Highway, Dallas, Texas 75218

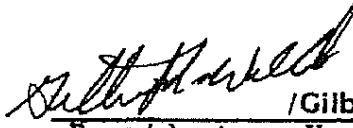
- 3. The address, including street and number, to which its registered office is to be changed is 501 Lake Ranch Lane, Wylie, Texas 75098
(Give new address or state "no change")

- 4. The name of its present registered agent, as shown in the records of the Secretary of State of the State of Texas, prior to filing this statement is Richard H. Sikes

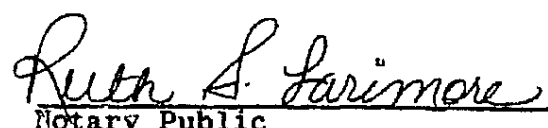
- 5. The name of its new registered agent is Gilbert L. Welch
(Give new name or state "no change")

- 6. The address of its registered office and the address of the business office of its registered agent, as changed, will be identical.

- 7. Such change was authorized by its board of directors.


/Gilbert L. Welch, President
President or Vice President

Sworn to 08-12-87
(date)


Notary Public
Dallas County, Texas

ARTICLES OF AMENDMENT
TO
ARTICLES OF INCORPORATION
OF

FILED
In the Office of the
Secretary of State of Texas
MAR 28 1996
Corporations Section

NORTHWEST CONSTRUCTION COMPANY, INC.

Pursuant to the provisions of Article 4.04 of the Texas Business Corporation Act, the undersigned corporation adopts the following Articles of Amendment to its Articles of Incorporation:

I.

The name of the corporation is NORTHWEST CONSTRUCTION COMPANY, INC.

II.

The following amendments to the Articles of Incorporation were adopted by the shareholders of the corporation on January 17, 1996:

The amendment alters Article Four of the original Articles of Incorporation to read as follows: The aggregate number of shares which the corporation shall have authority to issue is Two Hundred Thousand (200,000) of the par value of One Dollar (\$1.00) each.

The amendment alters Article Six of the original Articles of Incorporation to read as follows: The street address of its registered office is 1917 Copper, Garland, Texas 75242, and the name of its registered agent at said address is Charles D. Henderson.

III.

The number of shares of the corporation outstanding at the time of the adoption was 5,000; the number of shares entitled to vote on the amendment was 5,000.

IV.

The number of shares that voted for the amendment was 5,000; the number of shares that voted against the amendment was 0.

DATED this 17th day of January, 1996.

NORTHWEST CONSTRUCTION COMPANY, INC.

By:


CHARLES D. HENDERSON, President

Office of the
Secretary of State
Corporations Section

P.O. Box 13697
Austin, Texas 78711-3697



FILED
In the Office of the
Secretary of State of Texas
JUN 21 1999
Corporations Section

**STATEMENT OF CHANGE OF REGISTERED OFFICE OR
REGISTERED AGENT OR BOTH BY A CORPORATION,
LIMITED LIABILITY COMPANY OR LIMITED PARTNERSHIP**

1. The name of the entity is NORTHWEST CONSTRUCTION CO INC
The entity's charter/certificate of authority/file number is 00317616-1
2. The registered office address as PRESENTLY shown in the records of the Texas secretary of state is: 1917 COPPER GARLAND TX 75242
3. A. The address of the NEW registered office is: (Please provide street address, city, state and zip code. The address must be in Texas.)
1985 FOREST LANE GARLAND TX 75042-7951
- OR B. The registered office address will not change.
4. The name of the registered agent as PRESENTLY shown in the records of the Texas secretary of state is CHARLES D HENDERSON
5. A. The name of the NEW registered agent is _____
OR B. The registered agent will not change.
6. Following the changes shown above, the address of the registered office and the address of the office of the registered agent will continue to be identical, as required by law.
7. The changes shown above were authorized by:
Business Corporations may select A or B Limited Liability Companies may select D or E
Non-Profit Corporations may select A, B, or C Limited Partnerships select F

- A. The board of directors;
- B. An officer of the corporation so authorized by the board of directors;
- C. The members of the corporation in whom management of the corporation is vested pursuant to article 2.14C of the Texas Non-Profit Corporation Act;
- D. Its members;
- E. Its managers; or
- F. The limited partnership.

C. Henderson VP
(Authorized Officer of Corporation)
(Authorized Member or Manager of LLC)

PUBLIC INFORMATION REPORT (PIR) NOTIFICATION

Prior to tax year 2002 copies of Public Information Reports may not have been retained by the Secretary of State of Texas. If you have received this notification in place of a listed report prior to that date you must contact the Comptroller of Public Accounts at (512) 463-4600 to request copies of the record.

7441545

Do not write in the space above

a. TCode 13196 Franchise 16196 Bank

TEXAS FRANCHISE TAX PUBLIC INFORMATION REPORT

MUST be filed with your Corporation Franchise Tax Report

c. Taxpayer identification number 17514118391	d. Report year 2002
--	------------------------

Corporation name and address

NORTHWEST CONSTRUCTION CO INC
1985 FOREST LANE
GARLAND TX 75042

e. PIR / IND 1, 2, 3, 4

Secretary of State file number or, if none, Complicator unincorporated number
0031761600

Item # on Franchise Tax Report form, Page 1

The following information MUST be provided for the Secretary of State (S.O.S.) by each corporation or limited liability company that files a Texas Corporation Franchise Tax Report. The information will be available for public inspection. "SECTION A" MUST BE COMPLETE AND ACCURATE.

If preprinted information is not correct, please type or print the correct information.

Please sign below!

Check here if there are currently no changes to the information preprinted in Sections A, B, and C of this report.

Corporation's principal office
1985 FOREST LANE GARLAND TX

Principal place of business
1985 FOREST LANE GARLAND TX

SECTION A. Name, title and mailing address of each officer and director. Use additional sheets, if necessary.

NAME	TITLE	DIRECTOR	Social Security No. (Optional)
GIVENS, JAMES R	PRES	<input checked="" type="checkbox"/> YES	
MAILING ADDRESS			Expiration date (mm-dd-yyyy)
1985 FOREST LANE GARLAND TX			
HENDERSON, CHARLES D	SECT	<input checked="" type="checkbox"/> YES	
MAILING ADDRESS			Expiration date (mm-dd-yyyy)
1985 FOREST LANE GARLAND TX			
HENDERSON, CHARLES D	TRES	<input checked="" type="checkbox"/> YES	
MAILING ADDRESS			Expiration date (mm-dd-yyyy)
1985 FOREST LANE GARLAND TX			
HENDERSON, CHARLES D	TRES	<input checked="" type="checkbox"/> YES	
MAILING ADDRESS			Expiration date (mm-dd-yyyy)
1985 FOREST LANE GARLAND TX			
HENDERSON, CHARLES D	TRES	<input checked="" type="checkbox"/> YES	
MAILING ADDRESS			Expiration date (mm-dd-yyyy)
1985 FOREST LANE GARLAND TX			

6090001170

SECTION B. List each corporation or limited liability company, if any, in which this reporting corporation or limited liability company owns an interest of ten percent (10%) or more. Enter the information requested for each corporation. Use additional sheets, if necessary.

Name of owned (subsidiary) corporation	State of incorporation	Texas S.O.S. file number	Percentage Interest
NONE			

SECTION C. List each corporation or limited liability company, if any, that owns an interest of ten percent (10%) or more in this reporting corporation or limited liability company. Enter the information requested for each corporation or limited liability company. Use additional sheets, if necessary.

Name of owning (parent) corporation	State of incorporation	Texas S.O.S. file number	Percentage Interest
NONE			

Registered agent and registered office currently on file (Changes must be filed separately with the Secretary of State)

Agent: **CHARLES D HENDERSON**
 Office: **1985 FOREST LANE GARLAND TEXAS**

Check here if you need forms to change this information.

I declare that the information in this document and any attachments is true and correct to the best of my knowledge and belief and that a copy of this report has been mailed to each person named in this report who is an officer or director and who is not currently employed by this corporation or limited liability company or a related corporation.

sign here Officer, director, or other authorized person **Charles D Henderson** Title **V. President** Date **6-10-02** Daytime phone (Area code and number) **972-272-5466**

Do not write in the space above

a. Tax Code 13196 Franchise 16196 Bank

**TEXAS FRANCHISE TAX
 PUBLIC INFORMATION REPORT**

MUST be filed with your Corporation Franchise Tax Report

c. Taxpayer identification number 17514118391	d. Report year 2003
--	------------------------

Corporation name and address

**NORTHWEST CONSTRUCTION CO INC
 1985 FOREST LANE
 GARLAND TX 75042**

e. PIR / IND 1, 2, 3, 4

Secretary of State file number or, if none, Comptroller unchartered number

g. 0031761600

Item 4 on Franchise Tax Report form, Page 1

The following information MUST be provided for the Secretary of State (S.O.S.) by each corporation or limited liability company that files a Texas Corporation Franchise Tax Report. The information will be available for public inspection. "SECTION A" MUST BE COMPLETE AND ACCURATE.

If preprinted information is not correct, please type or print the correct information.

Please sign below!

Check here if there are currently no changes to the information preprinted in Sections A, B, and C of this report.

Corporation's principal office
1985 FOREST LANE GARLAND TX

Principal place of business
1985 FOREST LANE GARLAND TX

SECTION A. Name, title and mailing address of each officer and director. Use additional sheets, if necessary.

NAME	TITLE	DIRECTOR	Social Security No. (Optional)
GIVENS, JAMES R	PRES	<input checked="" type="checkbox"/> YES	
MAILING ADDRESS			Expiration date (mm-dd-yyyy)
1985 FOREST LANE GARLAND TX			
HENDERSON, CHARLES D	SECT	<input checked="" type="checkbox"/> YES	
MAILING ADDRESS			Expiration date (mm-dd-yyyy)
1985 FOREST LANE GARLAND TX			
HENDERSON, CHARLES D	TRES	<input checked="" type="checkbox"/> YES	
MAILING ADDRESS			Expiration date (mm-dd-yyyy)
1985 FOREST LANE GARLAND TX			
HENDERSON, CHARLES D	TRES	<input checked="" type="checkbox"/> YES	
MAILING ADDRESS			Expiration date (mm-dd-yyyy)
1985 FOREST LANE GARLAND TX			
HENDERSON, CHARLES D	TRES	<input checked="" type="checkbox"/> YES	
MAILING ADDRESS			Expiration date (mm-dd-yyyy)
1985 FOREST LANE GARLAND TX			

SECTION B. List each corporation or limited liability company, if any, in which this reporting corporation or limited liability company owns an interest of ten percent (10%) or more. Enter the information requested for each corporation. Use additional sheets, if necessary.

Name of owned (subsidiary) corporation	State of incorporation	Texas S.O.S. file number	Percentage interest
NONE			
NONE			

SECTION C. List each corporation or limited liability company, if any, that owns an interest of ten percent (10%) or more in this reporting corporation or limited liability company. Enter the information requested for each corporation or limited liability company. Use additional sheets, if necessary.

Name of owning (parent) corporation	State of incorporation	Texas S.O.S. file number	Percentage interest
NONE			

Registered agent and registered office currently on file. (Changes must be filed separately with the Secretary of State.)

Agent: **CHARLES D HENDERSON**

Office: **1985 FOREST LANE
 GARLAND TEXAS**

Check here if you need forms to change this information.

I declare that the information in this document and any attachments is true and correct to the best of my knowledge and belief and that a copy of this report has been mailed to each person named in this report who is an officer or director and who is not currently employed by this corporation or limited liability company or a related corporation.

sign here **Charles D Henderson** Title **President** Date **5/15/2003** Daytime phone (Area code and number) **972-272-5466**

Do not write in the space above

A. T Code 13196 Franchise 16196 Bank
**TEXAS FRANCHISE TAX
 PUBLIC INFORMATION REPORT**

c. Taxpayer identification number ■ 17514118391	d. Report year ■ 2004
--	--------------------------

MUST be filed to satisfy franchise tax requirements

Corporation name and address

**NORTHWEST CONSTRUCTION CO INC
 1985 FOREST LANE
 GARLAND TX 75042**

e. PIR / IND 1, 2, 3, 4

Secretary of State file number or, if none, Comptroller unchartered number

g. ■ 0031761600

Item k on Franchise Tax Report Form 05-142

If the preprinted information is not correct, please type or print the correct information.

The following information MUST be provided for the Secretary of State (SOS) by each corporation or limited liability company that files a Texas Corporation Franchise Tax Report. Use additional sheets for Sections A, B, and C, if necessary. The information will be available for public inspection.

Check here if there are currently no changes to the information preprinted in Section A of this report. Then, complete Sections B and C.

Please sign below! Officer and director information is reported as of the date a Public Information Report is completed. The information is updated annually as part of the franchise tax report. There is no requirement or procedure for supplementing the information as officers and directors change throughout the year

Corporation's principal office
1985 FOREST LANE GARLAND TX

Principal place of business
1985 FOREST LANE GARLAND TX

SECTION A. Name, title, and mailing address of each officer and director.

NAME JAMES R GIVENS	TITLE PRESIDENT	DIRECTOR <input checked="" type="checkbox"/> YES	Term expiration (mm-dd-yyyy)
MAILING ADDRESS 1985 FOREST LANE GARLAND TX			
NAME CHARLES D HENDERSON	TITLE SECT	DIRECTOR <input checked="" type="checkbox"/> YES	Term expiration (mm-dd-yyyy)
MAILING ADDRESS 1985 FOREST LANE GARLAND TX			
NAME CHARLES D HENDERSON	TITLE TRES	DIRECTOR <input checked="" type="checkbox"/> YES	Term expiration (mm-dd-yyyy)
MAILING ADDRESS 1985 FOREST LANE GARLAND TX			
NAME	TITLE	DIRECTOR	Term expiration (mm-dd-yyyy)
MAILING ADDRESS			
NAME	TITLE	DIRECTOR	Term expiration (mm-dd-yyyy)
MAILING ADDRESS			

SECTION B. List each corporation or limited liability company, if any, in which this reporting corporation or limited liability company owns an interest of ten percent (10%) or more. Enter the information requested for each corporation or limited liability company.

Name of owned (subsidiary) corporation NONE	State of incorporation	Texas SOS file number	Percentage interest
Name of owned (subsidiary) corporation	State of incorporation	Texas SOS file number	Percentage interest

SECTION C. List each corporation or limited liability company, if any, that owns an interest of ten percent (10%) or more in this reporting corporation or limited liability company. Enter the information requested for each corporation or limited liability company.

Name of owning (parent) corporation NONE	State of incorporation	Texas SOS file number	Percentage interest
--	------------------------	-----------------------	---------------------

Registered agent and registered office currently on file. (See instructions if you need to make changes.)

Agent: **CHARLES D HENDERSON**
 Office: **1985 FOREST LANE GARLAND TEXAS**

Check this box if you need forms to change this information. Changes can also be made on-line at <http://www.sos.state.tx.us/corp/sosda/index.shtml>

I declare that the information in this document and any attachments is true and correct to the best of my knowledge and belief, as of the date below, and that a copy of this report has been mailed to each person named in this report who is an officer or director and who is not currently employed by this corporation or limited liability company or a related corporation.

sign here **Charles Henderson** Title **PRESIDENT** Date **9/3/04** Daytime phone (Area code and number) **972-272-5466**



Corporation Search Results

Franchise Tax Certification of Account Status

This Certification Not Sufficient for Filings with Secretary of State

Do **not** include a certification from this Web site as part of a filing with the Secretary of State for dissolution, merger, withdrawal, or conversion. The Secretary of State will reject a filing that uses the certification from this site.

To obtain a certificate that is sufficient for dissolution, merger, or conversion, see Publication 98-336d, Requirements to Dissolve, Merge or Convert a Texas Entity.

Certification of Account Status	Officers And Directors Information
Company Information:	NORTHWEST CONSTRUCTION COMPANY INC 1985 FOREST LN STE 100 GARLAND, TX 75042-7917
Status:	IN GOOD STANDING NOT FOR DISSOLUTION OR WITHDRAWAL through May 15, 2006
Registered Agent:	CHARLES D HENDERSON 1985 FOREST LANE GARLAND, TX 75042
Registered Agent Resignation Date:	
State of Incorporation:	TX
File Number:	0031761600
Charter/COA Date:	January 3, 1973
Charter/COA Type:	Charter
Taxpayer Number:	17514118391

Carole Keeton Strayhorn
Texas Comptroller of Public Accounts

Window on State Government
[Contact Us](#)
[Privacy and Security Policy](#)

ARTICLES OF ORGANIZATION
OF
CYNOSURE DEVELOPERS, LLC

FILED
In the Office of
Secretary of State c

AUG 23 2006

Corporations Sec

I, the undersigned natural person of the age of eighteen (18) years or more, acting as organizer of a limited liability company under the Texas Limited Liability Company Act, do hereby adopt the following Articles of Organization for such limited liability company.

ARTICLE I

The name of the limited liability company is **CYNOSURE DEVELOPERS, LLC**.

ARTICLE II

The period of its duration is perpetual.

ARTICLE III

The purpose or purposes for which the limited liability company is organized are:

The transaction of any or all lawful business for which limited liability companies may be organized under the Texas Limited Liability Company Act.

To do everything necessary, proper, advisable, or convenient for the accomplishment or furtherance of such purposes, provided the same are not prohibited by the laws of the State of Texas.

ARTICLE IV

The office address of the initial registered office of the limited liability company is 6110 Coral Ridge Drive, Corpus Christi, Texas 78413, and the names of its initial registered agent at such address is Mark T. Bower.

ARTICLE V

The limited liability company shall be managed by one or more managers. The initial number of managers is two (2), and the names and addresses of the initial managers of the limited liability company who are to serve until successor(s) are elected and qualified are as follows:

NAME
Daniel R. Sereni

ADDRESS
4901 Saratoga Boulevard #928
Corpus Christi, Texas 78413

Mark T. Bower

6110 Coral Ridge Drive
Corpus Christi, Texas 78413

ARTICLE VI

To the full extent permitted by Texas law, no manager of the limited liability company shall be liable to the limited liability company or its members for monetary damages for an act or omission in such manager's capacity as manager of the limited liability company. The foregoing elimination of the managers' liability to the limited liability company or its members for monetary damages shall not be deemed exclusive of any other rights or limitations of liability or indemnity to which a manager may be entitled under any other provision of the Articles of Organization or Regulations of the limited liability company, contract, or agreement, vote of members and/or disinterested managers of the limited liability company, or otherwise. If the Texas Limited Liability Company Act, the Texas Business Corporation Act, the Texas Miscellaneous Corporation Laws Act, or other applicable law is amended to authorize action further eliminating or limiting the liability of managers, then the liability of a manager of the limited liability company shall be eliminated or limited to the fullest extent permitted by the Texas Limited Liability Company Act, the Texas Business Corporation Act, the Texas Miscellaneous Corporation Laws Act, or other applicable laws, as so amended.

Any repeal or modification of the foregoing paragraph by the members shall not adversely effect any right or protection of a manager existing at the time of any such repeal or modification.


ARTICLE VII

The name and address of the organizer is:

Mark T. Bower

6110 Coral Ridge Drive
Corpus Christi, Texas 78413

I have hereunto set my hand this 16th day of August, 2004.



Mark T. Bower



Corporation Search Results

Franchise Tax Certification of Account Status

This Certification Not Sufficient for Filings with Secretary of State

Do **not** include a certification from this Web site as part of a filing with the Secretary of State for dissolution, merger, withdrawal, or conversion. The Secretary of State will reject a filing that uses the certification from this site.

To obtain a certificate that is sufficient for dissolution, merger, or conversion, see Publication 98-336d, Requirements to Dissolve, Merge or Convert a Texas Entity.

Certification of Account Status

Company Information:

CYNOSURE DEVELOPERS LLC
5430 HOLLY RD STE 8
CORPUS CHRISTI, TX 78411-4680

Officers And Directors Information

**IN GOOD STANDING NOT FOR
DISSOLUTION OR WITHDRAWAL through
May 15, 2006**

Status:

Registered Agent:
MART T. BOWER
6110 CORAL RIDGE DRIVE
CORPUS CHRISTI, TX 78413

Registered Agent Resignation Date:

TX

State of Incorporation:

0800380548

File Number:

Charter/COA Date:

August 23, 2004

Charter/COA Type:

Charter

Taxpayer Number:

12014962489

Carole Keeton Strayhorn
Texas Comptroller of Public Accounts

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TEXAS COMPTROLLER OF PUBLIC ACCOUNTS
CAROLE KEETON STRAYHORN • COMPTROLLER • AUSTIN, TEXAS 78774

August 30, 2005

CERTIFICATE OF ACCOUNT STATUS

THE STATE OF TEXAS
COUNTY OF TRAVIS

I, Carole Keeton Strayhorn, Comptroller of Public Accounts of the State of Texas, DO HEREBY CERTIFY that according to the records of this office

CYNOSURE DEVELOPERS LLC

is, as of this date, in good standing with this office having no franchise tax reports or payments due at this time. This certificate is valid through the date that the next franchise tax report will be due May 15, 2006.

This certificate does not make a representation as to the status of the corporation's Certificate of Authority, if any, with the Texas Secretary of State.

This certificate is valid for the purpose of conversion when the converted entity is subject to franchise tax as required by law. This certificate is not valid for the purpose of dissolution, merger, or withdrawal.

GIVEN UNDER MY HAND AND
SEAL OF OFFICE in the City of
Austin, this 30th day of
August 2005 A.D.

A handwritten signature in cursive script that reads "Carole Keeton Strayhorn".

Carole Keeton Strayhorn

Certificate of Account Status - Letter of Good Standing

Texas Comptroller

Taxpayer number: 12014962489

File number: 0800380548

Form 05-304 (Rev. 02-03/14)



Corporation Search Results

Officers and Directors
CYNOSURE DEVELOPERS LLC

Return to Corporation Search Results

Officer and director information on this site is obtained from the most recent Public Information Report (PIR) processed by the Secretary of State (SOS). PIRs filed with annual franchise tax reports are forwarded to the SOS. After processing, the SOS sends the Comptroller an electronic copy of the information, which is displayed on this web site. The information will be updated as changes are received from the SOS.

You may order a copy of a Public Information Report from open records @ cpa.state.tx.us or Comptroller of Public Accounts, Open Government Division, PO Box 13528, Austin, Texas 78711.

Title:	Name and Address:	Expiration/Resignation Date:
<i>MANAGER</i>	DANIEL R. SERENI 4901 SARATOGA BOULEVARD #928 CORPUS CHRISTI, TX 78413	
<i>MANAGER</i>	MART T. BOWER 6110 CORAL RIDGE DRIVE CORPUS CHRISTI, TX 78413	

Carole Keeton Strayhorn
Texas Comptroller of Public Accounts

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FILED
In the Office of the
Secretary of State of Texas
DEC 08 2004

ARTICLES OF ORGANIZATION
OF
ROLLING CREEK APARTMENTS GROUP, LLC Corporations Section

I, the undersigned natural person of the age of eighteen (18) years or more, acting as organizer of a limited liability company under the Texas Limited Liability Company Act, do hereby adopt the following Articles of Organization for such limited liability company.

ARTICLE I

The name of the limited liability company is **ROLLING CREEK APARTMENTS GROUP, LLC**.

ARTICLE II

The period of its duration is perpetual.

ARTICLE III

The purpose or purposes for which the limited liability company is organized are:

The transaction of any or all lawful business for which limited liability companies may be organized under the Texas Limited Liability Company Act.

To do everything necessary, proper, advisable, or convenient for the accomplishment or furtherance of such purposes, provided the same are not prohibited by the laws of the State of Texas.

ARTICLE IV

The office address of the initial registered office of the limited liability company is 5430 Holly Road, Suite 8, Corpus Christi, Texas 78411, and the names of its initial registered agent at such address is Mark T. Bower.

ARTICLE V

The limited liability company shall be managed by one or more managers. The initial number of managers is two (2), and the names and addresses of the initial managers of the limited liability company who are to serve until successor(s) are elected and qualified are as follows:

NAME
Daniel R. Sereni

ADDRESS
4901 Saratoga Boulevard #928
Corpus Christi, Texas 78413

Mark T. Bower

6110 Coral Ridge Drive
Corpus Christi, Texas 78413

ARTICLE VI

To the full extent permitted by Texas law, no manager of the limited liability company shall be liable to the limited liability company or its members for monetary damages for an act or omission in such manager's capacity as manager of the limited liability company. The foregoing elimination of the managers' liability to the limited liability company or its members for monetary damages shall not be deemed exclusive of any other rights or limitations of liability or indemnity to which a manager may be entitled under any other provision of the Articles of Organization or Regulations of the limited liability company, contract, or agreement, vote of members and/or disinterested managers of the limited liability company, or otherwise. If the Texas Limited Liability Company Act, the Texas Business Corporation Act, the Texas Miscellaneous Corporation Laws Act, or other applicable law is amended to authorize action further eliminating or limiting the liability of managers, then the liability of a manager of the limited liability company shall be eliminated or limited to the fullest extent permitted by the Texas Limited Liability Company Act, the Texas Business Corporation Act, the Texas Miscellaneous Corporation Laws Act, or other applicable laws, as so amended.

Any repeal or modification of the foregoing paragraph by the members shall not adversely effect any right or protection of a manager existing at the time of any such repeal or modification.


ARTICLE VII

The name and address of the organizer is:

Mark T. Bower

6110 Coral Ridge Drive
Corpus Christi, Texas 78413

I have hereunto set my hand this 7 day of December, 2004.



Mark T. Bower



Corporation Search Results

Franchise Tax Certification of Account Status

This Certification Not Sufficient for Filings with Secretary of State

Do **not** include a certification from this Web site as part of a filing with the Secretary of State for dissolution, merger, withdrawal, or conversion. The Secretary of State will reject a filing that uses the certification from this site.

To obtain a certificate that is sufficient for dissolution, merger, or conversion, see Publication 98-336d, Requirements to Dissolve, Merge or Convert a Texas Entity.

Certification of Account Status	Officers And Directors Information
Company Information:	ROLLING CREEK APARTMENTS GROUP LLC 5430 HOLLY RD STE 8 CORPUS CHRISTI, TX 78411-4680
Status:	IN GOOD STANDING NOT FOR DISSOLUTION OR WITHDRAWAL through March 7, 2006
Registered Agent:	MARK T BOWER 5430 HOLLY ROAD SUITE 8 CORPUS CHRISTI, TX 78411
Registered Agent Resignation Date:	
State of Incorporation:	TX
File Number:	0800423068
Charter/COA Date:	December 8, 2004
Charter/COA Type:	Charter
Taxpayer Number:	12022519735

Carole Keeton Strayhorn
Texas Comptroller of Public Accounts

Window on State Government
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Privacy and Security Policy

**CERTIFICATE OF LIMITED PARTNERSHIP OF
CYNOSURE PROPERTIES, LP**

SEP 02 2004

Corporations Section

The undersigned, desiring to form a Limited Partnership pursuant to the Texas Revised Limited Partnership Act as set forth in Article 6132(a)-1 of the Texas Revised Civil Statutes Annotated, do hereby certify:

I.

Partnership Name

CYNOSURE PROPERTIES, L.P. shall be the name under which the Partnership shall conduct its business.

II.

Partnership Registered Office and Agent

The address of the registered office shall be 5430 Holly Road, Suite 8, Corpus Christi, Nueces County, Texas 78411, and the name and address of the registered agent for service of process shall be Mark T. Bower 5430 Holly Road, Suite 8, Corpus Christi, Nueces County, Texas 78411.

III.

Partnership Principal Office

The address of the principal office in the United States where records are to be kept or made available is 5430 Holly Road, Suite 8, Corpus Christi, Nueces County, Texas 78411.

III.

General Partners

The name, mailing address and street address of the general partners of the Partnership are:


CYNOSURE PARTNERS, LLC
5430 Holly Road, Suite 8, Corpus Christi, Nueces County, Texas 78411

IV.

Partnership Business

The character of the business intended to be transacted by the Partnership is to engage generally in, but not limited to, the business of acquiring, owning, building and preserving, for investment purposes, real property and other personal property investments.

EFFECTIVE as of September 1, 2004.

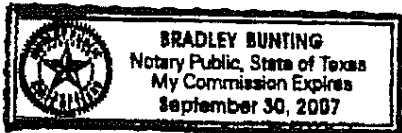


MARK T. BOWER,
General Partner

THE STATE OF TEXAS §
 §
COUNTY OF NUECES §

BEFORE ME, the undersigned authority, on this day personally appeared **MARK T. BOWER**, known to me to be the person whose name is subscribed to the foregoing instrument as General Partner and acknowledged to me that such General Partner executed the same for the purposes and considerations therein expressed, in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on September 1, 2004.





NOTARY PUBLIC, STATE OF TEXAS

PREPARED BY:

Bradley Bunting, JD, CPA
Board Certified
Estate Planning & Probate Law
Texas Board of Legal Specialization
BUNTING & BUNTING, P.C.
500 N. Shoreline Blvd., Suite 307
Corpus Christi, Texas 78471
(361) 881-6060
FAX (361) 881-6089

ARTICLES OF ORGANIZATION
OF
CYNOSURE PARTNERS, LLC

FILED
In the Office of the
Secretary of State of Texas
SEP 02 2004
Corporations Section

I, the undersigned natural person of the age of eighteen (18) years or more, acting as organizer of a limited liability company under the Texas Limited Liability Company Act, do hereby adopt the following Articles of Organization for such limited liability company.

ARTICLE I

The name of the limited liability company is **CYNOSURE PARTNERS LLC**.

ARTICLE II

The period of its duration is perpetual.

ARTICLE III

The purpose or purposes for which the limited liability company is organized are:

The transaction of any or all lawful business for which limited liability companies may be organized under the Texas Limited Liability Company Act.

To do everything necessary, proper, advisable, or convenient for the accomplishment or furtherance of such purposes, provided the same are not prohibited by the laws of the State of Texas.

ARTICLE IV

The office address of the initial registered office of the limited liability company is 5430 Holly Road, Suite 8, Corpus Christi, Texas 78411, and the names of its initial registered agent at such address is Mark T. Bower.

ARTICLE V

The limited liability company shall be managed by one or more managers. The initial number of managers is two (2), and the names and addresses of the initial managers of the limited liability company who are to serve until successor(s) are elected and qualified are as follows:

NAME
Daniel R. Sereni

ADDRESS
4901 Saratoga Boulevard #928
Corpus Christi, Texas 78413

Mark T. Bower

6110 Coral Ridge Drive
Corpus Christi, Texas 78413

ARTICLE VI

To the full extent permitted by Texas law, no manager of the limited liability company shall be liable to the limited liability company or its members for monetary damages for an act or omission in such manager's capacity as manager of the limited liability company. The foregoing elimination of the managers' liability to the limited liability company or its members for monetary damages shall not be deemed exclusive of any other rights or limitations of liability or indemnity to which a manager may be entitled under any other provision of the Articles of Organization or Regulations of the limited liability company, contract, or agreement, vote of members and/or disinterested managers of the limited liability company, or otherwise. If the Texas Limited Liability Company Act, the Texas Business Corporation Act, the Texas Miscellaneous Corporation Laws Act, or other applicable law is amended to authorize action further eliminating or limiting the liability of managers, then the liability of a manager of the limited liability company shall be eliminated or limited to the fullest extent permitted by the Texas Limited Liability Company Act, the Texas Business Corporation Act, the Texas Miscellaneous Corporation Laws Act, or other applicable laws, as so amended.

Any repeal or modification of the foregoing paragraph by the members shall not adversely effect any right or protection of a manager existing at the time of any such repeal or modification.


ARTICLE VII

The name and address of the organizer is:

Mark T. Bower

6110 Coral Ridge Drive
Corpus Christi, Texas 78413

I have hereunto set my hand this 1st day of September, 2004.


Mark T. Bower



Corporation Search Results

Franchise Tax Certification of Account Status

This Certification Not Sufficient for Filings with Secretary of State

Do **not** include a certification from this Web site as part of a filing with the Secretary of State for dissolution, merger, withdrawal, or conversion. The Secretary of State will reject a filing that uses the certification from this site.

To obtain a certificate that is sufficient for dissolution, merger, or conversion, see Publication 98-336d, Requirements to Dissolve, Merge or Convert a Texas Entity.

Certification of Account Status

Officers And Directors Information

Company Information:

CYNOSURE PARTNERS LLC
5430 HOLLY RD STE 8
CORPUS CHRISTI, TX 78411-4680

Status:

**IN GOOD STANDING NOT FOR
DISSOLUTION OR WITHDRAWAL through
November 30, 2005**

Registered Agent:

MARK T. BOWER
5430 HOLLY RD., STE. 8
CORPUS CHRISTI, TX 78411

Registered Agent Resignation Date:

TX

State of Incorporation:

0800385376

File Number:

Charter/COA Date:

September 2, 2004

Charter/COA Type:

Charter

Taxpayer Number:

32015745709

Carole Keeton Strayhorn
Texas Comptroller of Public Accounts

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TEXAS COMPTROLLER OF PUBLIC ACCOUNTS
CAROLE KEETON STRAYHORN • COMPTROLLER • AUSTIN, TEXAS 78774

August 30, 2005

CERTIFICATE OF ACCOUNT STATUS

THE STATE OF TEXAS
COUNTY OF TRAVIS

I, Carole Keeton Strayhorn, Comptroller of Public Accounts of the State of Texas, DO HEREBY CERTIFY that according to the records of this office

CYNOSURE PARTNERS LLC

is, as of this date, in good standing with this office having no franchise tax reports or payments due at this time. This certificate is valid through the date that the next franchise tax report will be due November 30, 2005.

This certificate does not make a representation as to the status of the corporation's Certificate of Authority, if any, with the Texas Secretary of State.

This certificate is valid for the purpose of conversion when the converted entity is subject to franchise tax as required by law. This certificate is not valid for the purpose of dissolution, merger, or withdrawal.

GIVEN UNDER MY HAND AND
SEAL OF OFFICE in the City of
Austin, this 30th day of
August 2005 A.D.

Handwritten signature of Carole Keeton Strayhorn in cursive.

Carole Keeton Strayhorn

Certificate of Account Status - Letter of Good Standing

Texas Comptroller

Taxpayer number: 32015745709

File number: 0800385376

Form 05-304 (Rev. 02-03/14)



Corporation Search Results

Officers and Directors
CYNOSURE PARTNERS LLC

Return to Corporation Search Results

Officer and director information on this site is obtained from the most recent Public Information Report (PIR) processed by the Secretary of State (SOS). PIRs filed with annual franchise tax reports are forwarded to the SOS. After processing, the SOS sends the Comptroller an electronic copy of the information, which is displayed on this web site. The information will be updated as changes are received from the SOS.

You may order a copy of a Public Information Report from openrecords.cpa.state.tx.us or Comptroller of Public Accounts, Open Government Division, PO Box 13528, Austin, Texas 78711.

Title:	Name and Address:	Expiration/Resignation Date:
MANAGER	DANIEL R. SERENI 4901 SARATOGA BLVD. #928 CORPUS CHRISTI, TX 78413	
MANAGER	MARK T. BOWER 6110 CORAL RIDGE DR. CORPUS CHRISTI, TX 78413	

Carole Keeton Strayhorn
Texas Comptroller of Public Accounts

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ARTICLES OF ORGANIZATION
OF
CYNOSURE MANAGERS, LLC

FILED
In the Office of the
Secretary of State of Texas
SEP 02 2004
Corporations Section

I, the undersigned natural person of the age of eighteen (18) years or more, acting as organizer of a limited liability company under the Texas Limited Liability Company Act, do hereby adopt the following Articles of Organization for such limited liability company.

ARTICLE I

The name of the limited liability company is **CYNOSURE MANAGERS LLC**.

ARTICLE II

The period of its duration is perpetual.

ARTICLE III

The purpose or purposes for which the limited liability company is organized are:

The transaction of any or all lawful business for which limited liability companies may be organized under the Texas Limited Liability Company Act.

To do everything necessary, proper, advisable, or convenient for the accomplishment or furtherance of such purposes, provided the same are not prohibited by the laws of the State of Texas.

ARTICLE IV

The office address of the initial registered office of the limited liability company is 5430 Holly Road, Suite 8, Corpus Christi, Texas 78411, and the names of its initial registered agent at such address is Mark T. Bower.

ARTICLE V

The limited liability company shall be managed by one or more managers. The initial number of managers is two (2), and the names and addresses of the initial managers of the limited liability company who are to serve until successor(s) are elected and qualified are as follows:

NAME
Daniel R. Sereni

ADDRESS
4901 Saratoga Boulevard #928
Corpus Christi, Texas 78413

Mark T. Bower

6110 Coral Ridge Drive
Corpus Christi, Texas 78413

ARTICLE VI

To the full extent permitted by Texas law, no manager of the limited liability company shall be liable to the limited liability company or its members for monetary damages for an act or omission in such manager's capacity as manager of the limited liability company. The foregoing elimination of the managers' liability to the limited liability company or its members for monetary damages shall not be deemed exclusive of any other rights or limitations of liability or indemnity to which a manager may be entitled under any other provision of the Articles of Organization or Regulations of the limited liability company, contract, or agreement, vote of members and/or disinterested managers of the limited liability company, or otherwise. If the Texas Limited Liability Company Act, the Texas Business Corporation Act, the Texas Miscellaneous Corporation Laws Act, or other applicable law is amended to authorize action further eliminating or limiting the liability of managers, then the liability of a manager of the limited liability company shall be eliminated or limited to the fullest extent permitted by the Texas Limited Liability Company Act, the Texas Business Corporation Act, the Texas Miscellaneous Corporation Laws Act, or other applicable laws, as so amended.

Any repeal or modification of the foregoing paragraph by the members shall not adversely effect any right or protection of a manager existing at the time of any such repeal or modification.


ARTICLE VII

The name and address of the organizer is:

Mark T. Bower

6110 Coral Ridge Drive
Corpus Christi, Texas 78413

I have hereunto set my hand this 1st day of September, 2004.



Mark T. Bower



Corporation Search Results

Franchise Tax Certification of Account Status

This Certification Not Sufficient for Filings with Secretary of State

Do **not** include a certification from this Web site as part of a filing with the Secretary of State for dissolution, merger, withdrawal, or conversion. The Secretary of State will reject a filing that uses the certification from this site.

To obtain a certificate that is sufficient for dissolution, merger, or conversion, see Publication 98-336d, Requirements to Dissolve, Merge or Convert a Texas Entity.

Certification of Account Status	Officers And Directors Information
Company Information:	CYNOSURE MANAGERS LLC 5430 HOLLY RD STE 8 CORPUS CHRISTI, TX 78411-4680
Status:	IN GOOD STANDING NOT FOR DISSOLUTION OR WITHDRAWAL through November 30, 2005
Registered Agent:	MARK T. BOWER 5430 HOLLY RD., STE. 8 CORPUS CHRISTI, TX 78411
Registered Agent Resignation Date:	
State of Incorporation:	TX
File Number:	0800385381
Charter/COA Date:	September 2, 2004
Charter/COA Type:	Charter
Taxpayer Number:	32015745667

Carole Keeton Strayhorn
Texas Comptroller of Public Accounts

Window on State Government
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[Privacy and Security Policy](#)

SEP 02 2004

**CERTIFICATE OF LIMITED PARTNERSHIP OF
CYNOSURE INVESTMENT GROUP, LP** Corporations Section

The undersigned, desiring to form a Limited Partnership pursuant to the Texas Revised Limited Partnership Act as set forth in Article 6132(a)-1 of the Texas Revised Civil Statutes Annotated, do hereby certify:

I.

Partnership Name

CYNOSURE INVESTMENT GROUP, LP shall be the name under which the Partnership shall conduct its business.

II.

Partnership Registered Office and Agent

The address of the registered office shall be 5430 Holly Road, Suite 8, Corpus Christi, Nueces County, Texas 78411, and the name and address of the registered agent for service of process shall be Mark T. Bower 5430 Holly Road, Suite 8, Corpus Christi, Nueces County, Texas 78411.

III.

Partnership Principal Office

The address of the principal office in the United States where records are to be kept or made available is 5430 Holly Road, Suite 8, Corpus Christi, Nueces County, Texas 78411.

III.

General Partners

The name, mailing address and street address of the general partners of the Partnership are:

CYNOSURE MANAGERS, LLC
5430 Holly Road, Suite 8, Corpus Christi, Nueces County, Texas 78411,

IV.

Partnership Business

The character of the business intended to be transacted by the Partnership is to engage generally in, but not limited to, the business of acquiring, owning, building and preserving, for investment purposes, real property and other personal property investments.

EFFECTIVE as of September 1, 2004.

Mark T. Bower

MARK T. BOWER,
General Partner

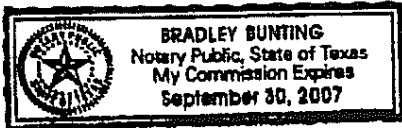
THE STATE OF TEXAS

§
§
§

COUNTY OF NUECES

BEFORE ME, the undersigned authority, on this day personally appeared **MARK T. BOWER**, known to me to be the person whose name is subscribed to the foregoing instrument as General Partner and acknowledged to me that such General Partner executed the same for the purposes and considerations therein expressed, in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on September 1, 2004.



Bradley Bunting

NOTARY PUBLIC, STATE OF TEXAS

PREPARED BY:

Bradley Bunting, JD, CPA
Board Certified
Estate Planning & Probate Law
Texas Board of Legal Specialization
BUNTING & BUNTING, P.C.
500 N. Shoreline Blvd., Suite 307
Corpus Christi, Texas 78471
(361) 881-6060
FAX (361) 881-6089

ARTICLES OF ORGANIZATION
OF
ROLLING CREEK LAND PARTNERS LLC

FILED
In the Office of the
Secretary of State of Texas
AUG 10 2005
Corporations Section

I, the undersigned natural person of the age of eighteen (18) years or more, acting as organizer of a limited liability company under the Texas Limited Liability Company Act, do hereby adopt the following Articles of Organization for such limited liability company.

ARTICLE I

The name of the limited liability company is **ROLLING CREEK LAND PARTNERS LLC**.

ARTICLE II

The period of its duration is perpetual.

ARTICLE III

The purpose or purposes for which the limited liability company is organized are:

The transaction of any or all lawful business for which limited liability companies may be organized under the Texas Limited Liability Company Act.

To do everything necessary, proper, advisable, or convenient for the accomplishment or furtherance of such purposes, provided the same are not prohibited by the laws of the State of Texas.

ARTICLE IV

The office address of the initial registered office of the limited liability company is 5430 Holly Road, Suite 8, Corpus Christi, Texas 78411, and the names of its initial registered agent at such address is Mark T. Bower.

ARTICLE V

The limited liability company shall be managed by one or more managers. The initial number of managers is two (2), and the names and addresses of the initial managers of the limited liability company who are to serve until successor(s) are elected and qualified are as follows:

NAME
Daniel R. Sereni

ADDRESS
4901 Saratoga Boulevard #928
Corpus Christi, Texas 78413

Mark T. Bower

1400 Ocean Drive, #201A
Corpus Christi, Texas 78404

ARTICLE VI

To the full extent permitted by Texas law, no manager of the limited liability company shall be liable to the limited liability company or its members for monetary damages for an act or omission in such manager's capacity as manager of the limited liability company. The foregoing elimination of the managers' liability to the limited liability company or its members for monetary damages shall not be deemed exclusive of any other rights or limitations of liability or indemnity to which a manager may be entitled under any other provision of the Articles of Organization or Regulations of the limited liability company, contract, or agreement, vote of members and/or disinterested managers of the limited liability company, or otherwise. If the Texas Limited Liability Company Act, the Texas Business Corporation Act, the Texas Miscellaneous Corporation Laws Act, or other applicable law is amended to authorize action further eliminating or limiting the liability of managers, then the liability of a manager of the limited liability company shall be eliminated or limited to the fullest extent permitted by the Texas Limited Liability Company Act, the Texas Business Corporation Act, the Texas Miscellaneous Corporation Laws Act, or other applicable laws, as so amended.

Any repeal or modification of the foregoing paragraph by the members shall not adversely effect any right or protection of a manager existing at the time of any such repeal or modification.


ARTICLE VII

The name and address of the organizer is:

Bradley Bunting, Esq.

500 N. Shoreline Blvd., Suite 307
Corpus Christi, Texas 78471

I have hereunto set my hand this 9 day of August, 2005.


Bradley Bunting



Corporation Search Results

Franchise Tax Certification of Account Status

This Certification Not Sufficient for Filings with Secretary of State

Do **not** include a certification from this Web site as part of a filing with the Secretary of State for dissolution, merger, withdrawal, or conversion. The Secretary of State will reject a filing that uses the certification from this site.

To obtain a certificate that is sufficient for dissolution, merger, or conversion, see Publication 98-336d, Requirements to Dissolve, Merge or Convert a Texas Entity.

Certification of Account Status	Officers And Directors Information
Company Information:	ROLLING CREEK LAND PARTNERS LLC 5430 HOLLY RD STE 8 CORPUS CHRISTI, TX 78411-4680
Status:	IN GOOD STANDING NOT FOR DISSOLUTION OR WITHDRAWAL through November 7, 2006
Registered Agent:	MARK T BOWER 5430 HOLLY ROAD, SUITE 8 CORPUS CHRISTI, TX 78411
Registered Agent Resignation Date:	
State of Incorporation:	TX
File Number:	0800529809
Charter/COA Date:	August 10, 2005
Charter/COA Type:	Charter
Taxpayer Number:	32017970776

Carole Keeton Strayhorn
Texas Comptroller of Public Accounts

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FLOODING

It is better to prevent a loss rather than recover from one.

FAP residents have watched the area develop, as friends and neighbors spent days living through floods and years trying to rebuild.

1. Since 1998 the federal government has spent over \$152 million dollars of taxpayers' money, on buyouts and repairs as a result of flooding to homes in the FAP area, alone.

(**Exhibit "A"** - FEMA buyouts in FAP area, 1998 to current, from HCFCD),
(**Exhibit "B"** - FEMA email displaying insurance claims in FAP area.)

2. The timeline for the FAP area flooding began in 1992 when Dodson & Associates, an engineering firm contracted by the county, warned that the building of Sam Houston Racetrack would lead to flooding of the White Oak Bayou as per the Houston Chronicle article.

(**Exhibit "C"** - Chronicle Article).

3. April 4, 1994 the Racetrack opened. September 9, 1998, Tropical Storm Frances deluged the area with enough water to float boats on area streets. Many area residents evacuated with a small percentage taking refuge at Reed Elementary School.

(**Exhibit "D"** - Chronicle Articles)

4. Flooding was repeated with Tropical Storm Allison in 2001, caused by the unrelenting rain and rapid runoff from the extensive amounts of paved surfaces. The result was further destruction of property.

(**Exhibit "E"** - Internet Article)

5. Other heavy rains followed, specifically in October 2002 and November 2003; leaving some FAP area residents victims to three and four floods.

(**Exhibit "F"** - Chronicle Articles)

6. In between those years, subdivisions with detention/retention ponds were built, with permits, under the guidance of engineers, and the blessings of the county. Woodward Lakes, constructed in 1992, and Oaklake Pointe, constructed 1997, were both built with ponds as specified by Harris County. Thereafter, subdivisions to the south and east of these were flooded and *now consist of lots owned by the Harris County Flood Control District*. These lots in Creekside Estates, Burger Estates, Woodland Trails and others once housed families that were forced out by multiple floodings after new developments.

(**Exhibit "G"** - HCAD Website Data)

7. The proposed site for the apartments and adjacent properties are not designated as wetlands, but nearby residents have noted the land to be wet when it rains and wet when it does not.

(Exhibit "H" – Mr. George Nelson's letter)

8. Today, nearby subdivisions, apartments, etc. are being built on this land. It is a known fact that the massive amounts of laid concrete (impervious substances) won't absorb water, so the displaced rains will need to flow elsewhere. While new construction in Harris County is required to be built 18 inches above flood plain; this requirement just diverts runoff to existing subdivisions.

(Exhibit "I" - Harris Co. Flood Plain Mgmt),

(Exhibit "J" - Elevation & Flooding pictures)

9. Even with the detention/retention ponds required, the flood waters rise at rapid rates on homes in this area proving their ineffectiveness. Original homes, passed down through families, are being demolished because of flooding exacerbated by new construction.

(Exhibit "K" - letter by Mrs. Sharon Speer)

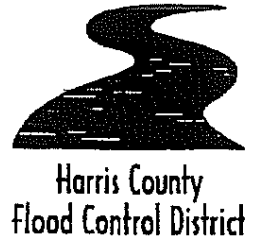
10. Currently, efforts are underway for a substantial flooding and drainage study by HCFCD. The study references many questions including: "Why does it flood...? Is new development doing its fair share to address flooding?" They still do not have the answers, yet building continues.

(Exhibit "L" - HCFCD Website)

Please stop the use of government funds to build new, only to later spend more to buy out these flooded houses. These are not just buildings; it is families, their homes, their communities, and their lives.

EXHIBIT "A"

**FEMA BUYOUTS
IN FAP AREA
1998 – 2005**



9900 Northwest Freeway
Houston, Texas 77092
713-684-1000

June 29, 2005

Marianne West
8719 Golden Chord Circle
Houston, TX 77040

RE: Purchased Properties in 77040

Dear Marianne West:

Attached is the list of the purchased properties in 77040 that you requested.

If you need additional information, please feel free to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "John T. Randolph", is written over the typed name.

John T. Randolph, CFM
Property Acquisition Services

JTR:spf

TOTAL BUYOUTS

9106 INCE LANE	HOUSTON	77040	\$119,000.00
9106 LOREN LANE	HOUSTON	77040	\$96,000.00
9106 NOOK COURT	Houston	77040	\$104,500.00
9107 LOREN LANE	HOUSTON	77040	\$86,703.00
9107 VINETREE LN	Houston	77040	\$115,000.00
9110 INCE LANE	HOUSTON	77040	\$99,895.00
9110 Loren	Houston	77040	\$84,703.00
9110 NOOK Ct.	Houston	77040	\$116,500.00
9111 INCE LANE	HOUSTON	77040	\$94,000.00
9111 LOREN LANE	HOUSTON	77040	\$86,398.00
9114 INCE LANE	HOUSTON	77040	\$121,000.00
9114 LOREN LANE	HOUSTON	77040	\$104,000.00
9114 NOOK COURT	Houston	77040	\$112,000.00
9115 LOREN LANE	HOUSTON	77040	\$117,000.00
9115 NOOK COURT	Houston	77040	\$108,000.00
9115 VINETREE LN	HOUSTON	77040	\$107,000.00
9118 INCE	HOUSTON	77040	\$114,000.00
9119 INCE LANE	HOUSTON	77040	\$110,000.00
9119 LONG BARREL LN	Houston	77040	\$121,000.00
9119 NOOK COURT	Houston	77040	\$121,250.00
9122 INCE LANE	HOUSTON	77040	\$102,731.00
9122 LONG BARREL LN	Houston	77040	\$100,514.00
9123 NOOK COURT	Houston	77040	\$93,245.00
9123 VINETREE LN	Houston	77040	\$128,000.00
9126 LOREN LANE	HOUSTON	77040	\$117,353.00
9127 LOREN LANE	HOUSTON	77040	\$85,654.00
9130 LOREN LANE	Houston	77040	\$118,000.00
9131 LOREN LANE	HOUSTON	77040	\$107,000.00
9131 NOOK COURT	Houston	77040	\$119,000.00
9131 VINETREE LN	Houston	77040	\$97,795.00
9203 COLE CREEK DR	Houston	77040	\$92,000.00
9203 VINETREE LN	Houston	77040	\$105,000.00
9207 COLE CREEK DR	HOUSTON	77040	\$58,296.00
9207 VINETREE LN	Houston	77040	\$90,691.00
9211 COLE CREEK DR	Houston	77040	\$90,000.00
9211 VINETREE LN	Houston	77040	\$93,000.00
9214 COLE CREEK DR	HOUSTON	77040	\$77,093.00
9215 COLE CREEK DR	HOUSTON	77040	\$58,615.00
9215 VINETREE LN	Houston	77040	\$100,000.00
9218 COLE CREEK DR	HOUSTON	77040	\$80,377.00
9219 COLE CREEK DR	Houston	77040	\$92,500.00
9222 COLE CREEK DR	HOUSTON	77040	\$91,000.00
9223 COLE CREEK DR	HOUSTON	77040	\$67,216.00
9226 Cole Creek Dr.	Houston	77040	\$80,000.00
9302 COLE CREEK DR	Houston	77040	\$89,000.00
9302 Guywood	Houston	77040	\$79,055.00
9303 COLE CREEK DR	HOUSTON	77040	\$71,653.00
9306 COLE CREEK DR	HOUSTON	77040	\$90,000.00
9307 COLE CREEK DR	Houston	77040	\$81,000.00
9310 COLE CREEK DR	Houston	77040	\$74,833.00
9311 COLE CREEK	Houston	77040	\$66,824.00
9314 COLE CREEK DR	HOUSTON	77040	\$81,119.00

8719 WIND STREAM DR	HOUSTON	77040	\$108,500.00
8722 WIND STREAM	HOUSTON	77040	\$119,645.00
8723 WIND STREAM	Houston	77040	\$120,000.00
8727 WIND STREAM	HOUSTON	77040	\$82,500.00
8730 WIND STREAM	HOUSTON	77040	\$87,626.00
8734 WIND STREAM	Houston	77040	\$108,000.00
8735 WIND STREAM	HOUSTON	77040	\$100,000.00
8738 WIND STREAM	HOUSTON	77040	\$96,937.00
8739 WIND STREAM	HOUSTON	77040	\$97,630.00
8742 WIND STREAM	Houston	77040	\$98,865.00
8743 Wind Stream Dr	Houston	77040	\$84,355.00
8746 WIND STREAM	HOUSTON	77040	\$70,795.00
8747 WIND STREAM	Houston	77040	\$100,066.00
8750 WIND STREAM	HOUSTON	77040	\$109,006.00
8751 WIND STREAM	Houston	77040	\$82,749.00
8803 WIND ROCK	Houston	77040	\$93,543.00
8803 WIND STREAM	HOUSTON	77040	\$85,535.00
8807 WIND ROCK	HOUSTON	77040	\$126,291.00
8807 WIND STREAM	HOUSTON	77040	\$99,250.00
8810 WIND STREAM	HOUSTON	77040	\$122,994.00
8811 WIND ROCK	Houston	77040	\$95,000.00
8811 WIND STREAM DR	HOUSTON	77040	\$105,500.00
8815 WIND ROCK	Houston	77040	\$106,500.00
8815 WIND STREAM	HOUSTON	77040	\$122,288.00
8819 WIND STREAM	HOUSTON	77040	\$100,500.00
8822 STORM WOOD ST	HOUSTON	77040	\$119,500.00
8827 WIND STREAM	Houston	77040	\$88,500.00
8838 STORM WOOD	Houston	77040	\$119,000.00
8839 STORM WOOD DR	Houston	77040	\$111,500.00
8903 WIND STREAM	HOUSTON	77040	\$98,000.00
8907 WIND STREAM	Houston	77040	\$64,831.00
8911 WIND STREAM	HOUSTON	77040	\$61,899.00
8919 WIND STREAM	HOUSTON	77040	\$90,000.00
8923 WIND STREAM	HOUSTON	77040	\$86,026.00
8927 WIND STREAM	Houston	77040	\$96,439.00
8931 WIND STREAM	Houston	77040	\$120,000.00
8935 WIND STREAM	HOUSTON	77040	\$96,000.00
8938 WIND SIDE DR	HOUSTON	77040	\$129,377.00
9006 LOREN LANE	HOUSTON	77040	\$112,500.00
9010 LOREN LANE	HOUSTON	77040	\$79,039.00
9014 LOREN LANE	HOUSTON	77040	\$76,664.00
9018 LOREN LANE	HOUSTON	77040	\$73,201.00
9022 LOREN LANE	HOUSTON	77040	\$69,705.00
9026 LOREN LANE	HOUSTON	77040	\$99,000.00
9030 LOREN LANE	Houston	77040	\$110,000.00
9034 LOREN LANE	HOUSTON	77040	\$109,500.00
9038 LOREN LANE	HOUSTON	77040	\$103,000.00
9102 INCE LANE	HOUSTON	77040	\$96,980.00
9102 LOREN LANE	HOUSTON	77040	\$93,736.00
9102 NOOK CT	HOUSTON	77040	\$95,077.00
9102 WOODLAND OAKS DR	Houston	77040	\$110,000.00
9103 INCE LN	HOUSTON	77040	\$107,921.00

7122 SHADY MILL DR	HOUSTON	77040	\$102,000.00
7122 SHADY VALE LN	HOUSTON	77040	\$99,000.00
7122 WIND BROOK ST	HOUSTON	77040	\$86,886.00
7123 RIVER FERN DR	HOUSTON	77040	\$74,785.00
7123 WIND BROOK ST	HOUSTON	77040	\$118,372.00
7123 WOOD HEATHER LN	HOUSTON	77040	\$91,018.00
7123 WOOD ORCHARD DR	Houston	77040	\$104,000.00
7126 RIVER FERN DR	HOUSTON	77040	\$92,354.00
7126 WOODLAND WEST DR	HOUSTON	77040	\$88,199.00
7127 RIVER FERN DR	HOUSTON	77040	\$63,692.00
7130 RIVER FERN DR	HOUSTON	77040	\$92,750.00
7130 WOODLAND WEST DR	HOUSTON	77040	\$93,560.00
7131 RIVER FERN DR	Houston	77040	\$108,500.00
7134 RIVER FERN DR	Houston	77040	\$116,250.00
7134 SHADY MILL DR	Houston	77040	\$95,000.00
7134 WOOD HEATHER LN	HOUSTON	77040	\$95,658.00
7135 SHADY VALE LN	HOUSTON	77040	\$112,000.00
7138 WOODLAND WEST DR	HOUSTON	77040	\$95,000.00
7139 SHADY MILL DR	Houston	77040	\$89,205.00
7139 SHADY VALE LN	HOUSTON	77040	\$100,542.00
7142 SHADY MILL DR	Houston	77040	\$99,500.00
7142 WOOD HEATHER LN	HOUSTON	77040	\$69,730.00
7146 SHADY MILL DR	Houston	77040	\$102,000.00
7146 WOOD HEATHER LN	Houston	77040	\$120,000.00
7147 WOOD HEATHER LN	HOUSTON	77040	\$102,168.00
7150 SHADY MILL DR	Houston	77040	\$89,808.00
7150 WOODLAND WEST DR	HOUSTON	77040	\$100,000.00
7154 SHADY MILL DR	Houston	77040	\$102,923.00
7155 SHADY MILL DR	Houston	77040	\$94,000.00
7158 SHADY VALE LN	HOUSTON	77040	\$91,536.00
7162 SHADY MILL DR	Houston	77040	\$103,904.00
7162 WOODLAND WEST DR	Houston	77040	\$100,000.00
7163 SHADY MILL DR	Houston	77040	\$96,000.00
7163 SHADY VALE LN	Houston	77040	\$99,000.00
7166 WOODLAND WEST DR	HOUSTON	77040	\$115,000.00
7167 SHADY VALE LN	HOUSTON	77040	\$91,000.00
7170 SHADY MILL DR	Houston	77040	\$105,000.00
7170 SHADY VALE LN	HOUSTON	77040	\$97,000.00
7178 SHADY VALE LN	Houston	77040	\$101,000.00
7202 RIVER FERN DR	HOUSTON	77040	\$120,000.00
7203 Wind Dale	Houston	77040	\$116,105.00
7203 WIND ROCK CT	HOUSTON	77040	\$124,000.00
7203 WIND TRAIL	HOUSTON	77040	\$105,804.00
7206 WIND TRAIL	HOUSTON	77040	\$111,598.00
7206 WIND ROCK CT	Houston	77040	\$109,500.00
7206 WOOD BLUFF BLVD	HOUSTON	77040	\$100,070.00
7207 Wind Rock Ct	Houston	77040	\$102,500.00
7207 WIND TRAIL	Houston	77040	\$92,140.00
7207 WOOD BLUFF BLVD	HOUSTON	77040	\$112,500.00
7210 WIND ROCK CT	HOUSTON	77040	\$118,000.00
7210 WIND TRAIL	HOUSTON	77040	\$107,250.00
7210 WOOD BLUFF BLVD	HOUSTON	77040	\$124,000.00

8018 SHADY GROVE DR	HOUSTON	77040	\$103,000.00
8019 BREEZEWAY ST	HOUSTON	77040	\$98,000.00
8022 BREEZEWAY DR	Houston	77040	\$86,823.00
8022 SHADY ARBOR LN	Houston	77040	\$95,120.00
8023 SHADY ARBOR LN	HOUSTON	77040	\$101,499.00
8026 BREEZEWAY DR	Houston	77040	\$98,734.00
8026 SHADY ARBOR LN	HOUSTON	77040	\$99,500.00
8030 BREEZEWAY DR	Houston	77040	\$100,000.00
8035 Shady Arbor	Houston	77040	\$89,442.00
8062 BREEZEWAY DR	Houston	77040	\$102,000.00
8102 WOOD CANYON DR	HOUSTON	77040	\$100,000.00
8102 WOOD GROVE CT	HOUSTON	77040	\$104,000.00
8103 SHADY ARBOR LN	Houston	77040	\$100,000.00
8103 SHADY GROVE DR	Houston	77040	\$112,000.00
8103 WOOD DOWNE LN	HOUSTON	77040	\$110,000.00
8103 WOOD GROVE CT	HOUSTON	77040	\$104,500.00
8106 SHADY ARBOR LN	HOUSTON	77040	\$99,500.00
8106 WOOD CANYON DR	Houston	77040	\$106,000.00
8107 Shady Arbor	Houston	77040	\$78,204.00
8107 WOOD CANYON DR	Houston	77040	\$122,000.00
8110 BREEZEWAY DR	Houston	77040	\$104,000.00
8110 SHADY GROVE LN	HOUSTON	77040	\$109,000.00
8111 WOOD CANYON DR	HOUSTON	77040	\$116,000.00
8114 WOOD CANYON DR	HOUSTON	77040	\$106,000.00
8115 WOOD CANYON DR	HOUSTON	77040	\$96,566.00
8118 SHADY GROVE LN	HOUSTON	77040	\$77,007.00
8118 WOOD DOWNE LN	Houston	77040	\$100,500.00
8119 SHADY ARBOR LN	Houston	77040	\$110,000.00
8122 SHADY ARBOR LN	Houston	77040	\$95,399.06
8123 SHADY GROVE DR	Houston	77040	\$103,000.00
8126 SHADY ARBOR LN	Houston	77040	\$114,000.00
8130 BREEZEWAY DR	Houston	77040	\$106,000.00
8130 SHADY ARBOR LN	HOUSTON	77040	\$104,214.00
8134 BREEZEWAY DR	Houston	77040	\$124,000.00
8134 SHADY ARBOR LN	Houston	77040	\$107,000.00
8206 WOOD DOWNE LN	Houston	77040	\$104,000.00
8211 SHADY ARBOR LN	HOUSTON	77040	\$91,000.00
8214 WOOD DOWNE LN	HOUSTON	77040	\$104,000.00
8221 N. Tahoe	HOUSTON	77040	\$400,000.00
8702 WIND ROCK CT	HOUSTON	77040	\$128,500.00
8703 WIND ROCK	HOUSTON	77040	\$98,296.00
8706 WIND ROCK CT	HOUSTON	77040	\$111,500.00
8707 WIND ROCK	Houston	77040	\$114,900.00
8710 WIND ROCK CT	HOUSTON	77040	\$111,250.00
8711 WIND ROCK	HOUSTON	77040	\$122,000.00
8711 WIND STREAM	HOUSTON	77040	\$114,344.00
8714 WIND ROCK CT	HOUSTON	77040	\$117,000.00
8714 WIND STREAM	HOUSTON	77040	\$109,474.00
8715 WIND ROCK	HOUSTON	77040	\$112,000.00
8715 WIND STREAM	HOUSTON	77040	\$94,000.00
8718 WIND ROCK DR	HOUSTON	77040	\$119,000.00
8719 WIND ROCK	HOUSTON	77040	\$85,401.00

7803 SHADY GROVE DR	Houston	77040	\$72,687.00
7806 MACHALA LN	HOUSTON	77040	\$82,682.00
7806 SHADY ARBOR LN	HOUSTON	77040	\$109,000.00
7807 SHADY ARBOR LN	Houston	77040	\$110,000.00
7807 SHADY GROVE	HOUSTON	77040	\$112,500.00
7810 MACHALA LN	HOUSTON	77040	\$104,000.00
7811 MACHALA LN	HOUSTON	77040	\$106,000.00
7811 SHADY GROVE DR	HOUSTON	77040	\$124,000.00
7814 MACHALA LN	HOUSTON	77040	\$100,119.00
7814 SHADY ARBOR LN	HOUSTON	77040	\$100,000.00
7815 MACHALA	HOUSTON	77040	\$109,000.00
7815 SHADY ARBOR LN	Houston	77040	\$112,000.00
7818 MACHALA LN	Houston	77040	\$104,000.00
7818 SHADY ARBOR LN	Houston	77040	\$104,000.00
7819 SHADY GROVE DR	Houston	77040	\$100,000.00
7822 MACHALA LN	HOUSTON	77040	\$103,525.00
7822 SHADY ARBOR LN	Houston	77040	\$101,000.00
7823 SHADY ARBOR LN	Houston	77040	\$87,794.00
7823 SHADY GROVE LN	HOUSTON	77040	\$101,000.00
7827 MACHALA LN	Houston	77040	\$105,000.00
7827 SHADY GROVE DR	Houston	77040	\$104,000.00
7834 MACHALA LN	HOUSTON	77040	\$107,000.00
7835 SHADY GROVE DR	Houston	77040	\$105,647.00
7838 MACHALA LN	Houston	77040	\$101,192.00
7839 SHADY ARBOR LN	HOUSTON	77040	\$99,808.00
7843 MACHALA	HOUSTON	77040	\$104,000.00
7843 SHADY GROVE DR	Houston	77040	\$107,000.00
7851 SHADY GROVE DR	Houston	77040	\$116,000.00
7855 MACHALA LN	Houston	77040	\$100,777.00
7906 SHADY ARBOR LN	Houston	77040	\$110,000.00
7909 SHADY GROVE LN	HOUSTON	77040	\$102,000.00
7911 MACHALA LN	Houston	77040	\$110,000.00
7913 SHADY GROVE LN	HOUSTON TX	77040	\$105,000.00
7919 SHADY GROVE DR	Houston	77040	\$117,000.00
7921 SHADY GROVE DR	Houston	77040	\$108,000.00
7923 SHADY ARBOR LN	Houston	77040	\$107,000.00
7923 SHADY GROVE DR	HOUSTON	77040	\$114,000.00
7926 SHADY ARBOR LN	Houston	77040	\$103,000.00
7931 SHADY GROVE DR	HOUSTON	77040	\$56,632.00
7935 SHADY GROVE DR	HOUSTON	77040	\$120,000.00
7938 SHADY GROVE DR	HOUSTON	77040	\$98,500.00
7959 SHADY ARBOR LN	HOUSTON	77040	\$112,520.00
8002 BREEZEWAY DR	Houston	77040	\$103,154.00
8002 SHADY ARBOR LN	HOUSTON	77040	\$83,863.00
8002 Wood Canyon	Houston	77040	\$96,500.00
8003 SHADY ARBOR	HOUSTON	77040	\$116,000.00
8006 SHADY ARBOR LN	HOUSTON	77040	\$94,000.00
8010 BREEZEWAY DR	Houston	77040	\$100,000.00
8010 SHADY GROVE DR	HOUSTON	77040	\$109,000.00
8014 BREEZEWAY DR	HOUSTON	77040	\$102,000.00
8018 BREEZEWAY DR	Houston	77040	\$92,500.00
8018 SHADY ARBOR LN	Houston	77040	\$103,000.00

7211 WIND ROCK CT	HOUSTON	77040	\$124,500.00
7211 WIND TRAIL	HOUSTON	77040	\$112,000.00
7211 WOOD BLUFF BLVD	Houston	77040	\$117,000.00
7215 WOOD BLUFF BLVD	Houston	77040	\$113,000.00
7215 WOODLAND WEST DR	Houston	77040	\$112,000.00
7218 WOOD BLUFF BLVD	HOUSTON	77040	\$112,500.00
7218 Woodland West Dr.	Houston	77040	\$96,585.00
7219 WOOD BLUFF BLVD	HOUSTON	77040	\$106,000.00
7222 WOOD BLUFF	HOUSTON	77040	\$111,000.00
7222 WOODLAND WEST DR	Houston	77040	\$103,000.00
7223 WOOD BLUFF BLVD	HOUSTON	77040	\$101,517.00
7231 WOODLAND WEST DR	Houston	77040	\$105,000.00
7302 GAILEY LN	HOUSTON	77040	\$192,500.00
7303 PIERREPONT DR	HOUSTON	77040	\$121,000.00
7305 LAKE LN	Houston	77040	\$170,000.00
7306 PIERREPONT	Houston	77040	\$119,000.00
7306 Wood Bluff	Houston	77040	\$100,000.00
7307 GAILEY LN	Houston	77040	\$133,933.00
7307 WOOD BLUFF BLVD	HOUSTON	77040	\$92,420.00
7310 GAILEY LN	Houston	77040	\$182,500.00
7310 LAKE LN	HOUSTON	77040	\$158,500.00
7310 WOOD OAK	Houston	77040	\$104,000.00
7311 GAILEY LN	HOUSTON	77040	\$140,000.00
7311 LAKE LN	HOUSTON	77040	\$172,196.00
7311 PIERREPONT DR	HOUSTON	77040	\$98,000.00
7311 WOOD BLUFF BLVD	Houston	77040	\$101,000.00
7314 SHADY VALE LN	HOUSTON	77040	\$101,000.00
7315 SHADY VALE LN	Houston	77040	\$121,000.00
7315 WOOD BLUFF BLVD	HOUSTON	77040	\$120,000.00
7318 PIERREPONT DR	HOUSTON	77040	\$98,000.00
7318 WOOD OAK	Houston	77040	\$107,000.00
7319 SHADY VALE LN	HOUSTON	77040	\$113,000.00
7319 WOOD BLUFF BLVD	HOUSTON	77040	\$119,000.00
7323 SHADY VALE LN	HOUSTON	77040	\$112,000.00
7326 PIERREPONT	Houston	77040	\$103,000.00
7326 WOOD OAK	Houston	77040	\$103,000.00
7327 WOODOAK	HOUSTON	77040	\$102,000.00
7330 WOOD OAK	Houston	77040	\$103,000.00
7334 WOOD OAK	Houston	77040	\$105,000.00
7342 GAILEY LN	HOUSTON	77040	\$170,500.00
7346 WOODOAK DR	HOUSTON	77040	\$104,000.00
7350 WOOD OAK	Houston	77040	\$95,500.00
7351 WOODOAK DR	HOUSTON	77040	\$87,731.00
7360 GAILEY LN	Houston	77040	\$330,000.00
7363 GAILEY LN	HOUSTON	77040	\$135,000.00
7410 SHADY VALE LN	Houston	77040	\$102,500.00
7422 GAILEY LN	HOUSTON	77040	\$207,500.00
7422 WINDFERN	HOUSTON	77040	\$162,192.00
7426 ROLLING FORK LN	HOUSTON	77040	\$200,000.00
7802 MACHALA LN	HOUSTON	77040	\$112,500.00
7803 MACHALA LN	HOUSTON	77040	\$117,000.00
7803 SHADY ARBOR LN	Houston	77040	\$125,000.00

PropertyAddress	City(PropAddress)	ZIP	PurchasePrice
15702 Jersey Dr	Jersey Village	77040	\$121,609.00
7002 WOODLAND WEST DR	HOUSTON	77040	\$121,000.00
7006 SHADY GROVE CT	HOUSTON	77040	\$112,000.00
7006 WOODLAND WEST DR	HOUSTON	77040	\$73,762.00
7014 WOODLAND WEST DR	HOUSTON	77040	\$94,720.00
7018 WOOD BLUFF BLVD	HOUSTON	77040	\$110,000.00
7019 WOOD BLUFF BLVD	HOUSTON	77040	\$109,000.00
7022 WOODLAND WEST DR	HOUSTON	77040	\$101,196.00
7023 WOOD BLUFF BLVD	Houston	77040	\$99,649.00
7023 WOODLAND WEST DR	HOUSTON	77040	\$98,011.00
7027 Woodland West Dr.	Houston	77040	\$102,000.00
7034 WOODLAND WEST DR	HOUSTON	77040	\$94,306.00
7038 WOODLAND WEST DR	Houston	77040	\$64,580.00
7039 WOODLAND WEST DR	HOUSTON	77040	\$79,916.00
7043 WOOD BLUFF BLVD	Houston	77040	\$102,000.00
7047 WOOD BLUFF BLVD	HOUSTON	77040	\$88,287.00
7054 Wood Bluff Blvd	Houston	77040	\$104,000.00
7054 WOODLAND WEST DR	HOUSTON	77040	\$114,000.00
7058 WOODLAND WEST DR	Houston	77040	\$72,609.00
7102 SHADY VALE LN	HOUSTON	77040	\$103,000.00
7102 WOOD BLUFF BLVD	Houston	77040	\$101,296.00
7103 RIVER FERN DRIVE	HOUSTON	77040	\$14,000.00
7103 WIND BROOK ST	HOUSTON	77040	\$127,000.00
7103 WOOD BLUFF BLVD	HOUSTON	77040	\$110,000.00
7103 WOOD HEATHER LN	Houston	77040	\$104,000.00
7103 WOOD ORCHARD	HOUSTON	77040	\$102,768.00
7106 SHADY MILL DR	Houston	77040	\$98,000.00
7106 SHADY VALE LN	HOUSTON	77040	\$104,000.00
7107 RIVER FERN DR	HOUSTON	77040	\$88,021.00
7107 WIND BROOK ST	HOUSTON	77040	\$133,500.00
7107 WOOD BLUFF BLVD	Houston	77040	\$106,000.00
7110 RIVER FERN DR	HOUSTON	77040	\$127,500.00
7110 SHADY MILL DR	HOUSTON	77040	\$95,000.00
7111 River Fern Dr	Houston	77040	\$82,124.00
7111 SHADY VALE LN	Houston	77040	\$106,000.00
7111 WIND BROOK	HOUSTON	77040	\$80,230.00
7111 WOOD HEATHER LN	HOUSTON	77040	\$92,991.00
7111 WOOD ORCHARD DR	Houston	77040	\$98,000.00
7114 SHADY MILL DR	HOUSTON	77040	\$100,000.00
7114 SHADY VALE LN	HOUSTON	77040	\$99,000.00
7115 SHADY VALE LN	HOUSTON	77040	\$98,204.00
7115 WIND BROOK ST	HOUSTON	77040	\$96,129.00
7115 WOOD HEATHER LN	HOUSTON	77040	\$98,000.00
7118 SHADY VALE LN	Houston	77040	\$99,000.00
7118 WIND BROOK ST	HOUSTON	77040	\$96,264.00
7119 RIVER FERN DR	HOUSTON	77040	\$101,759.00
7119 SHADY VALE LN	Houston	77040	\$103,000.00
7119 WIND BROOK ST	HOUSTON	77040	\$97,453.00
7119 WOOD HEATHER LN	Houston	77040	\$103,000.00
7119 WOOD ORCHARD DR	HOUSTON	77040	\$100,000.00
7122 RIVER FERN DR	HOUSTON	77040	\$53,450.00

9317 COLE CREEK	Houston	77040	\$111,684.00
9318 COLE CREEK DR	Houston	77040	\$27,126.00
0 Cole Creek	Houston	77040	\$13,500.00
9023 TAUB RD	Houston	77064	\$140,000.00
3910 Gardendale Dr	Houston	77092	\$110,000.00
4802 Chantilly Ln	Houston	77092	\$191,165.00
4811 Chantilly LN	Houston	77092	\$130,687.00
6118 Saxon Drive	Houston	77092	\$62,945.00

EXHIBIT "B"

**FEMA INSURANCE CLAIMS
IN FAP AREA
1998 – 2005**

----- Original Message -----

From: Zocchi, Don

To: 'Findley & Marianne West'

Cc: Scoville, Tim ; Shepard, Bonnie

Sent: Wednesday, August 31, 2005 9:30 AM

Subject: RE: information request - Historical Claim Data - SRR10635

Zip code 77040: \$111,628,144.69

Zip code 77064: \$2,384,811.36

Data as of 6/30/2005

-----Original Message-----

From: Findley & Marianne West [mailto:fandmwest@earthlink.net]

Sent: Tuesday, August 30, 2005 5:03 PM

To: Zocchi, Don

Subject: Re: information request - Historical Claim Data - SRR10635

I hate to trouble you further, but we only need years 1998 to the present as I requested. We have other data related to flood buyouts for those years, so we need to keep the numbers for flood claims restricted to those years also. Our group certainly appreciates the help you've given us.

EXHIBIT "C"

**HOUSTON CHRONICLE ARTICLE
"ENGINEERS WARNING"**

HOUSTON CHRONICLE ARCHIVES

Date: WED 04/26/00

Section: A

Page: 25

Edition: STAR

Warnings on flooding ignored, lawyers say

By JO ANN ZUNIGA

Staff

Two lawyers representing 275 flood victims living along White Oak Bayou said Tuesday that Harris County ignored an engineer's warnings that the Sam Houston Race Track development would increase flooding in that area.

Larry J. Doherty and James Blackburn Jr. said a 1992 letter from *Dodson & Associates*, an engineering firm contracted by the county, warned the track's development would divert a 1,800-acre drainage area into the bayou.

The letter by engineer *Roy D. Dodson* to Commissioner Jerry Eversole and other county officials, said, "I am sure you would never knowingly support a project which could harm significant numbers of Harris County residents, and which would expose the county to significant risk of expensive litigation and other costs.

"Throughout this three-mile stretch of White Oak Bayou, there are many homes which may be adversely affected by this diversion . . ."

Six years later, the engineer's predictions came true, Blackburn and Doherty said, when homes were flooded from Tropical Storm Frances on Sept. 9, 1998.

The lawyers represent the residents in a pending lawsuit against the county and its flood control district for extensive flood damage. It is scheduled for trial in April 2001 and the letter was discovered in pre-trial investigations, the lawyers said.

Eversole referred inquiries to the Harris County Attorney's Office, and Cathy Sisk, assistant county attorney, who called the letter a "smoking gun" attempt in preparation for trial.

"The county is aware of that letter," she said. "He (*Dodson*) wrote that letter in 1992 and engineering studies were done to address his concerns.

"The flooding was not caused by anything the county did or did not do. It was due to Tropical Storm Frances."

could not be reached for comment, but the residents' lawyers pointed out that county commissioners in October awarded his firm \$50,000 to help with the county's defense.

County Flood Control District director Art Storey, who also received a copy of the letter in 1992, said, "It is irresponsible to say we ignored any correspondence."

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EXHIBIT "D"

**HOUSTON CHRONICLE ARTICLES
TROPICAL STORM FRANCES'
EFFECT ON FAP AREA**

HOUSTON CHRONICLE ARCHIVES

Paper: Houston Chronicle

Date: SAT 09/12/98

Section: A

Page: 42 Metfront

Edition: 3 STAR

Frances' floodgates open wide on Houston area / WhiteOak spills banks, fills homes

By T.J. MILLING, JOE STINEBAKER, SALATHEIA BRYANT, ARMANDO VILAFRANCA
Staff

The streets along White Oak Bayou became rivers and homes became islands in a gushing stream of flood waters spawned by Tropical Storm Frances Friday.

The area on the northwest side where the bayou meanders through middle-class suburbs bore the brunt of the flooding. Hundreds of homes were waist-deep in water by early morning as the bayou's overflow coursed through neighborhoods, catching many people off guard. Few had time to save much.

"It came up so fast we didn't have time to save much," office manager Sandy Shaw said, standing on Fairbanks White Oak, the high road that leads into Woodland Oaks subdivision. "In 45 minutes, it went from the driveway to 6 inches deep in the house. We couldn't move fast enough."

Neighbor Paul Will said it was the worst flooding he had seen in his 13 years in Woodland Oaks, including Hurricane Alicia in 1983. Many residents got their cars out early, forming a line that snaked around Fairbanks White Oak. Water lapped the windshields of those left on neighborhood streets.

The waters started receding by midday as the bayou slipped back into its banks, but the flooded streets just emptied through the houses into easements and ditches behind them. The dangerous muddy back current gushed through windows doors and garages, tearing down fences and washing away belongings.

Cypress Fairbanks volunteer firefighters in canoes and fishing boats and County Commissioner Steve Radack in his precinct's airboat ferried out hundreds of stranded residents.

"We had some elderly people and kids who wanted to get out," Radack said. "A few of them were pretty scared."

Those who got out and couldn't find shelter with friends or family were taken to Reed Elementary School on nearby Tami Renee. Nick and Hughleene Erdely sat quietly at a table in the school cafeteria, surrounded by barking dogs, running children and evacuated homeowners huddled in blankets.

The Erdleys, who live in 9100 block of Loren Lane, were two of nearly 300 evacuees at the school Friday afternoon. Although they had been there for hours, they had managed to keep in good spirits. They were joined by their house guest, Shirley Dunlap, a native Houstonian who now lives in Baltimore.

"She was going to move back," Nick laughed. "But she's not sure after this."

Travis Singleton, a spokesman for the Cypress-Fairbanks Volunteer Fire Department, said calls for help had begun streaming in about 6 a.m.

"We immediately realized there was a problem and there was going to continue to be a problem," Singleton said.

Despite hundreds of rescues and evacuations, he said, not one resident or rescue worker was injured - "just fatigue and stress from the situation."

But a combination of neighborhood volunteers and others with the Cypress-Fairbanks Independent School District, Red Cross and Salvation Army ensured that evacuees had food, drinks, blankets, towels and other essentials. A local Kroger grocery donated baby food and diapers as well.

"All the things just fell in the right places," Singleton said. "It's nice to see when things work well."

Rescue workers were taking boats throughout the North Pine and White Oak Manor trailer parks and the Woodland Oaks, Woodland Oaks West and Woodland Trails Manor neighborhoods, evacuating some 400-500 people - including 172 residents of the *Woodwind Lakes* Restorative Care home.

When Radack's airboat arrived at the Erdleys' about 10:30 a.m., they were ready to get out.

Nick Erdley said he had just come out of the shower about 7:30 Friday morning to his wife's announcement that water was rising in their garage. They and Dunlap spent the next hour-and-a-half moving their possessions up off the floor.

But as water began coming in around doors, under walls and seeping through bricks, they realized they were fighting a losing battle.

"The water just kept coming," Hughleene said. "It came in the hall, and in the bathroom."

"If you'd open the door, it would just knock you down," Dunlap added. They went out a back window and around the side of the house into waist-deep water.

"The current was so fast when we came around the corner of the house, we had to hold on to each other," Dunlap said.

Once the boat got them to dry land, the three rode in the back of a furniture-hauling truck and finally made it to the elementary school, where they continued to wait all afternoon for word of when they could return. Making it even worse, the Erdleys have no flood insurance.

"I know we've got a lot of loss," Nick said. "How much I don't know."

Father south of the bayou, residents of The Park at White Oak Condominium were more angry at the lack of city response to flooding problems than sad at the loss of their personal possessions.

"What has the city done to improve the flooding situation?" said an upset and wet Rose Reagan. "They've spent taxpayer money to build a park (at the Wortham Center.) They should be more concerned about problems with flood control."

"This was not a hurricane. It was a tropical storm, and the bayou turned into a lake."

The Inwood Forest subdivision was a little more fortunate, but flood waters trapped residents in their homes most of the day.

"You feel like you're locked up, cabin fever," said Lou Donato, 51, who spent the morning checking his e-mail and playing games on his personal computer.

White Oaks Bayou skirts the southern edge of the subdivision, and water overflowing from its banks flooded the intersection of Antoine and Victory at the entrance of the subdivision.

"I don't even remember it being this bad before. It has come up our driveway in the past, but it hasn't ever gotten up this far in our yard before. We've never had water go in the house before," said Ann Richardson, 60.

But at least one resident in Woodland Trails, one of the worst-hit neighborhoods, tried to look on the bright side.

"It's been a unique day," 19-year-old college student Angela Williamson said. "It's not everyday you can pull out the Waverunner (water bike) and go riding down the street."

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HOUSTON CHRONICLE ARCHIVES

Paper: Houston Chronicle

Date: SUN 09/13/98

Section: A

Page: 1

Edition: 2 STAR

**Frances brings economic `catastrophe' /Storm's
remnants affect East Texas**

By ERIC BERGER, DAN FELDSTEIN, RAD SALLEE, JOANN ZUNIGA, T.J. MILLING, ERIC
HANSON, JULIE MASON
Staff

Tropical Storm Frances took a heavy monetary toll on the Houston area, with preliminary estimates of insured losses from flooded vehicles and wind-driven rain between \$65 million and \$75 million.

"For the private insurance industry, this is a fairly major catastrophe for Harris County," said Jerry Johns of Southwestern Insurance Information Service.

Harris County Flood Control District Director Michael Talbott estimated about 1,000 homes along White Oaks Bayou were under at least 18 inches of water at the peak of the flooding. Previous flooding in 1989 and 1992, he said, had flooded only about 400 homes in the area.

Estimates of monetary loss from flooded homes, insured by the National Flood Insurance Program, were not available late Friday.

After giving coastal and nearby-inland Texas a thorough whipping for three days, the remnants of Frances moved slowly to the interior Saturday.

Though the low-pressure area, downgraded from tropical depression status, continues to weaken as it moves north-northeast at about 6 mph, it is expected to bring moderate to heavy rain across portions of southeast and East Texas. More heavy rain is expected in Louisiana and Mississippi.

On Wednesday, Thursday and Friday, the storm hammered mid-Texas coastal areas with torrential rain that flooded thousands of homes, forced countless evacuations, shut down major freeways and brought the Houston area to a near standstill.

The center of the sprawling storm finally made landfall about 1 a.m. Friday north of Port Aransas, bringing unexpectedly heavy and continuous rain to a wide area.

Stranded flood victims had to be evacuated from suburbs, apartment buildings, a major downtown bus stop, a nursing home in northwest Houston and other areas.

Two fatalities reported

Two fatalities were blamed on Frances-spawned weather - a woman whose car was struck Thursday afternoon by a skidding truck south of Houston and a man who died Friday after a tornado struck his Cutoff, La., mobile home Thursday.

A United Parcel Service cargo jet skidded off a rain-slick runway and into the muddy infield at Ellington Field about 6:25 Friday morning. The crew was evacuated with no injuries.

Tornado-like winds screamed into La Porte about 4:30 a.m. destroying three detached garages and piercing nearby homes with debris. No one was reported injured.

Waterfront communities that already endured high tides, driving rain and 60-mph winds on Wednesday and Thursday had to swallow even more rain on Friday. Frances destroyed beaches, businesses, dunes and homes on Galveston Island, Bolivar Peninsula, Brazoria County, Kemah.

In Kemah, five restaurants on the Clear Creek Channel known as ""Restaurant Row" were closed Friday after heavy rains, high tide and a couple of shrimp boats caused extensive damage. Hardest hit were Landry's, the Flying Dutchman Restaurant and a boardwalk that connects all the restaurants. The two restaurants had about 2 feet of water inside, and crashing waves broke out several windows and uprooted the landscaping.

In Surfside Beach, a tidal surge wiped out a mile-long artificial sand dune system built just last winter to protect the Galveston Island village of 600 people.

""I don't think anyone was prepared," said Coast Guard Petty Officer Rob Williams.

But the dune absorbed much of the tide's punch, sparing the expensive homes behind it. Still, freezers, furniture and other belongings were inundated.

The 900-home Sea Isle subdivision on the island was swamped with waist-deep tide and floodwaters. Most of the homes are on pilings, but the water flooded many garages, storage buildings and cars. On the bay side of the island, the water eroded the foundations of many ground-level homes.

While the coast took the hardest punch, the storm's biggest surprise was probably the massive rainfall it unexpectedly dumped on inland communities - up to a dozen inches on areas where, at most, forecasters had predicted 2 to 3 inches.

""This storm changed the rules in the middle of the game," said Harris County Judge Robert Eckels.

White Oaks hardest hit

Swollen bayous around Houston spilled into streets, swamped freeway underpasses and flooded homes. By far the worst flooding occurred in suburbs along White Oak Bayou north of Highway 290, which was swollen about 3 feet over its banks.

""It's like walking through a bog," Paul Will, a Woodland Oaks resident, said after fording the lake in his back yard to survey his living room. ""We've never had flooding like this."

After surveying some of the flooded areas, Mayor Lee Brown vowed to ""aggressively pursue" federal disaster-relief funding.

Hundreds of residents were rescued by Cypress Fairbanks volunteer firefighters and County Commissioner Precinct 3 workers. About 400 evacuees took refuge at Reed Elementary School waiting for the muddy floodwaters to recede. After nightfall, only about 50 were left.

Except for White Oaks and Buffalo bayous, most of the city's other waterways were near capacity but did not overflow, said Talbott of the flood control district. Outside of some flooding in Jersey Village and along the coast, he said only a handful of homes were seriously flooded in other parts of the county.

The problem along White Oaks Bayou, he said, was due almost entirely to the localized heavy rain - nearly 12 inches - that fell in the area.

""The bands of rainfall just kind of lined up on us, and hit this area like a freight train," Talbott said.

The rising White Oak Bayou also forced an evacuation of the 172 residents of Mariner Health Center at *Woodwind Lakes*, a nursing home at Windfern and Gulf Bank. The water reached the doors by 9 a.m., and by the time the residents, many of them bed- and wheelchair-bound, were evacuated four hours later, water had risen to to cover the first floor.

Rising water also clogged major freeways in morning rush hour, causing miles of backups. Some remained dirty, impassable moats well into the evening.

Buses, cars swamped...

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HOUSTON CHRONICLE ARCHIVES

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Edition: 2 STAR

SITTING DUCKS ON BAYOU? / Residents say county adding to flood woes

By JOE STINEBAKER
Staff

FOR RESIDENTS OF *Creekside Estates*, the crack of thunder and the patter of rain on the roof inspire dread.

Jean Zieman moves her car to safety several neighborhoods away. Up the street, Sheila Wyborny stares out her front window.

And they wait for the flood - the flood that Harris County officials say comes only once in 50 to 100 years, but that residents of this suburban neighborhood in northwest Houston are convinced will come much sooner and much more often.

Zieman and Wyborny are among hundreds of residents of neighborhoods along White Oak Bayou locked in a political and legal battle with Harris County and the Harris County Flood Control District. They claim that, far from protecting their neighborhoods from flooding, the county has worsened the situation by catering to developers. They intend to sue.

County officials are frustrated and angered by those complaints. They say they are doing their best to control flooding all over the county and cannot be held responsible for floods sparked by unusually large amounts of rainfall in an area already known to be flood prone.

Only eight months ago, a massive storm produced by Tropical Storm Frances nearly wiped out a handful of neighborhoods just east of Jersey Village along White Oak Bayou. Accustomed to periodic street flooding from water emptying into the nearby bayou, residents of *Creekside Estates* and surrounding neighborhoods slept soundly as rain drummed their roofs in the early morning hours of Sept. 11. But by dawn, they were waking in panic.

Wyborny, a retired teacher, listened to the news briefly after her alarm went off.

"I heard this drip, drip, drip and thought 'What the heck?'" she said. She walked downstairs and found 4 inches of water covering the carpeted floor at the front of her house. Before long, it was several feet deep.

Just down the street, Zieman also was battling the water. She estimates she made 200 trips up and down her stairs, moving mementos and possessions to higher ground.

Zieman, who as a child in Britain watched as German bombers rained hell from the skies during World War II, was aghast.

"I'm not a scaredy-cat, but I was shaking," she said. "I was shaking."

By midafternoon, the water was receding, being sucked into White Oak Bayou with such force that several residents reported seeing a current in their homes. When it was over, there were millions of dollars in damage, months of work ahead, and an expensive lesson in hydrology and politics in the residents' future.

What Harris County called "an act of God," residents of *Creekside Estates*, Jersey Village, Woodland Trails, Woodland Oaks and other neighborhoods along White Oak Bayou called negligence.

"God didn't do this to us," Wyborny said. "Man did."

Wyborny, Zieman and about 150 of their neighbors along White Oak Bayou, between the West Belt and North Houston-Rosslyn Road, have banded together and intend to file a lawsuit against the Harris County Flood Control District and, perhaps, local developers. The suit is expected to be filed within several weeks.

Residents say that unrestrained development upstream and a modified dam installed in the bayou by the Flood Control District in 1994 have made them sitting ducks. Unhappy with the response of county officials, they say they have nowhere else to turn but the courts.

Jim Blackburn, one of several attorneys handling the case, said there is no question that the county has contributed to the problem and tried to cover it up.

Blackburn said the county is manipulating figures to show that the flooding along White Oak Bayou was a "100-year flood," meaning that such water levels could be expected only about once every 100 years. He and his team of lawyers, engineers and hydrologists say they can prove it.

"This was not a 100-year flood, as far as we're concerned," Blackburn said. "This wasn't the big one."

But with 10 to 12 inches of rain falling in a relatively short time, it was a massive one, said Art Storey and Mike Talbott, the county's top two flood-control officials.

"That was a horrible flood," Storey said. "It was unprecedented, it was unexpected, and it brought pain to a lot of people. That was a pretty freakish event."

Blackburn and others are convinced that one of the main reasons for the September flooding was the presence of a large W-shaped metal structure in the bayou that Blackburn calls a dam, but that the Flood Control District calls a "transition control structure."

The structure crosses the bayou about 1,000 feet upstream from the North Houston-Rosslyn Road bridge. How the dam got there, and why it remains, is an essential element in the argument over who is to blame for the flooding.

Under a master plan adopted by the Flood Control District in 1984, White Oak Bayou was to be widened and paved from Buffalo Bayou upstream to Jersey Village, Blackburn said. In addition, nearly a half-dozen large detention ponds were to be built to help hold floodwater until it could be released into the bayou once the levels in the bayou had dropped.

Instead, Blackburn said, the money ran out in 1994, and the county widened only to near the North

Houston-Rosslyn Road bridge. There the Flood Control District installed the dam.

So, on the downstream side of the dam is a widened, sometimes paved, fast-moving bayou. On the upstream side, is a narrower, overgrown bayou that moves far more slowly.

The result, said Blackburn, is that floodwater overflows the bayou upstream of the dam as it waits to be channeled into the faster-moving bayou downstream. Those living downstream of the dam are much better protected from flooding now, he said, while those living upstream are in far greater danger.

"There's a saying that Harris County doesn't control floods, they just move them around," Blackburn said. "This may be the most obvious example."

Blackburn cites the Flood Control District's own figures, which he says show that the dam essentially moved the flooding along White Oak Bayou farther upstream. According to the figures, hundreds of households along the middle portion of the bayou flooded in the years before the dam was built, while few flooded upstream.

Once the dam was built, however, the situation was reversed. The September floods produced few problems downstream from the dam, while hundreds of homes upstream flooded for the first time.

But Storey and Talbott say those figures prove the success, not failure, of the county's projects. They say the figures show that the finished portion of the widening project did what it was designed to do - it protected those homeowners along the improved portion of the bayou.

By their estimates, had the Flood Control District project not been in place, there would have been the same amount of flooding upstream and an additional 1,000 homes would have flooded downstream.

"Our accusers would almost want us to feel guilty that communities that have flooded many times before, didn't flood this time," Storey said. "I really think that validates our program, rather than challenges it."

Storey and Talbott say the dam does not slow the flow of water from the unimproved channel into the improved portion. The structure is in place only to protect the part of the project already finished. Without it, they say, the changing water speed at the transition would cause massive erosion upstream - destroying that portion of the bayou and leading to heavy sediment deposits in the improved section.

Residents remain unconvinced, and their lawsuit will ask a court to order that the dam be removed and that residents upstream be compensated for the damage to their homes.

Although Storey objects to that request, he admits the situation is complex.

"It's a hard thing to understand, and a jury might not comprehend it," he said. "So we might lose."

Another situation that Blackburn and his clients say has contributed greatly to the flooding is what they call unrestrained development along the unimproved bayou north and west of the dam.

That development - shopping centers, utility districts and neighborhoods - diminishes the amount of soil that can absorb heavy rains, and alters the natural flow of water into the bayou. As a result, they say, rainwater is channeled to the bayou more slowly and is then forced into heavier, quicker-flowing channels.

"We feel that all of the upstream development contributes to the flooding," Wyborny said. "They're building and building and building, and they don't care where the water goes."

Blackburn said state law forbids developers or property owners from increasing the flow of drainage such that it harms neighbors or their property. As a result, developers in Harris County are required to build detention ponds to help retain water during heavy storms until it can be safely released later. Blackburn said these ponds can sometimes take up as much as 15 percent of the property - property he said developers would prefer to use.

So Harris County devised a plan along White Oak Bayou by which developers would be exempted from the detention-pond requirement by paying the Flood Control District a \$3 ,000 fee for each acre developed. The idea was that the district would use that money and some of its own to build a handful of much larger detention ponds to offset many smaller ones.

Developers jumped at the cheaper alternative, Blackburn said. Although the county bought the land for the detention ponds, few were ever built. So development continued, he said, while flood-prevention practices were sidestepped or delayed.

"What the county did was turn (developers) into violators of the law," Blackburn said. "But the real scam was the county. That's part of the mind-set, which we don't let the public in on the secret of how bad this flooding is."

Storey agrees with Blackburn and the residents that development has outstripped the bayou's ability to handle the runoff, but he flatly denies claims that the county has catered to developers. Instead, he says, a depressed local economy in the 1980s led to far lower developer participation in the detention-pond project than expected. As a result, the Flood Control District took in less money than expected.

Then there were the floods of 1989, which taxed even the portions of the bayou farthest downstream, which were deeper and wider than the other portions and were paved with concrete. In addition, environmentalists were complaining about the paving of Harris County's bayous, leading to pressure for more natural solutions.

All those problems led Storey to modify the original plan. Instead of deepening, widening and paving White Oak Bayou to Jersey Village, from Buffalo Bayou downtown, later phases were slated for widening but not deepening or paving. "The '89 floods were a wake-up call," Storey said. "We needed to come up with an updated solution on how to do it."

The district has since increased its reliance on detention ponds along the bayou's upper stretches. Instead of dawdling, as Blackburn claims, Storey and Talbott say the county has already bought land for, begun work on, or expanded at least five large detention ponds - ranging in size from 4 to 100 acres. Those ponds already offer some protection to residents along the bayou, they said, and will offer even more as others are completed. As they are completed, even more of the bayou - including the portion so heavily flooded in September - will be widened and improved. Then, Storey said, Wyborny, Zieman and their neighbors will have as much protection as the district can be reasonably expected to provide.

"People have been flooding for 30 years along White Oak Bayou," Storey said. "I know I sound a bit defensive and aggressive about this, but I think we've done as appropriate a project as we are allowed to do."

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EXHIBIT "E"

**INTERNET ARTICLE
TROPICAL STORM ALLISON**

Tropical Storm Allison

Over the past decade, meteorologists have made efforts to increase public awareness of the threat of inland flooding associated with landfalling hurricanes and tropical storms, and for good reason. Over the past thirty years, flooding caused by the excessive rainfall from tropical cyclones have been the primary cause of U.S. tropical cyclone-related fatalities and have caused billions of dollars in damages. Inland flooding can result from any landfalling tropical system, from weak depressions to hurricanes. This makes damaging flood events from tropical cyclones more frequent than significant wind damage events, which only occur with hurricanes.

As stated above, inland floods due to tropical cyclones can cause tremendous damage to property and agriculture, as well as significant loss of life. In 1994, Tropical Storm Alberto lingered over southwest Georgia for weeks, causing \$1.2 billion in economic losses (\$110 million insured, all figures in 2001 dollars) and killing 33 people. Five years later, moisture streaming northward from Hurricane Floyd flooded areas from North Carolina to Maine, and was the primary cause of Floyd's \$6.4 billion in losses (\$2.6 billion insured) and the deaths of 77 people.

One problematic scenario with regard to inland flooding would be for a tropical system to stall over a low-lying major metropolitan area. The intense rainfall, coupled with extensive amounts of paved surfaces that prevent proper drainage, would rapidly create serious flooding conditions. Unfortunately, this scenario became reality in June 2001 when the remnants of Tropical Storm Allison flooded southeast Texas over the course of five days, subsequently creating the largest losses ever incurred by a tropical storm. The weak tropical system ended up causing over \$5 billion in economic losses (over \$2.7 billion insured), primarily in the Houston metropolitan area. After leaving Texas, Allison's remnants also caused flooding and wind damage in 5 other states, adding another billion dollars to the total loss (\$800 million insured), making Allison the fifth most costly natural disaster in U.S. history. The losses stemming from Allison's flooding came as a surprise to the commercial and industrial property insurance industry. This is because weak and/or decaying tropical systems were not considered by the industry as a potential source of catastrophic loss. Further, any flooding would have to occur in the commercial or industrial sections of a major city, an unlikely scenario. Allison, however, demonstrated that weak storms could indeed cause catastrophic flooding, and highlighted the need to re evaluate underwriting practices dealing with flood. What follows is a detailed look at Tropical Storm Allison, its impact on Houston, and what can be learned from this record breaking event.

Storm History

Tropical Storm Allison developed from a weak tropical wave that moved north from Mexico's Yucatan Peninsula into the Gulf of Mexico on June 4, just days into the 2001 hurricane season. The next morning, a low – pressure center began to develop within the wave just off the coast of Texas. The circulation around the low pressure allowed thunderstorm activity to increase rapidly, and by late afternoon the low had intensified and was classified as the first tropical storm of the 2001 Atlantic season. The peak winds associated with Allison occurred that afternoon, with hurricane hunter aircraft surveillance finding sustained winds of 95 km/h (60 mph) associated with thunderstorms to the north and east of Allison's center of circulation. A few hours later, Allison's winds weakened to 80 km/h (50 mph) as the center of circulation moved ashore near Galveston. Once ashore, Allison weakened quickly into a tropical depression.

While Allison's winds quickly subsided after landfall, the rain did not. From June 5th to 7th, heavy rains fell over southeast Texas and Louisiana as Allison moved inland. Some areas, including Houston, received 150-250 millimeters (6-10 inches) of rain in just five hours. During this time, Allison was moving slowly northward, and its rains shifted away from Houston into northern Texas.

However, by June 8th, the center of Allison began to drift back towards Houston. As Allison moved closer to the coast, the system began to draw in moisture from the Gulf of Mexico, and rainfall intensified. The intense rain developed directly over the eastern sections of Houston. For the second time in 4 days, the city faced torrential rainfall, with some areas receiving an additional 510 millimeters (20 inches) of rain in just a twelve-hour period. The ground, rivers, and bayous around Houston, already saturated from Allison's first visit, couldn't handle this second inundation, and the result was severe flooding throughout the region. By the time Allison drifted eastward from Texas the next day, many locations in Houston had received over 760 millimeters (30 inches) of rain in just 5 days.

Wind Damage

Winds associated with Allison's circulation were generally too light to cause any significant damage to buildings. There were sporadic reports of lost shingles and downed signs, particularly in Galveston. A thunderstorm within Allison's circulation also spawned a tornado, touching down in Manvel, Texas, damaging one home. Other wind-related losses were incurred from rainfall penetration of walls and roofs. The intrusion of rainwater into buildings caused damage to wiring, insulation and contents, and minor structural damage to wood-frame homes. Tropical Storm Allison near maximum intensity in the Gulf of Mexico, 5 PM EST on June 5th. The center of circulation, exposed and lacking thunderstorm activity, is near the Texas coast. The majority of high winds associated with Allison are well to the north and east of the center, imbedded within thunderstorms.

Flood Damage

Allison flooded over 67,000 homes in southeast Texas, primarily in the Houston metropolitan area. Of the affected homes, over 3,500 were beyond repair, and another 10,000 had major damage. Automobile losses were also very high, with an estimated 105,000 motor vehicles submerged by the flood, many of them abandoned on interstate highways running through downtown Houston. Commercial and industrial flood losses from Allison were very high due to flooding in downtown Houston, with at least 526 commercial and industrial properties receiving flood damage. Several skyscrapers had their ground floors and basements flooded, submerging cars, inventory, and electronic equipment. Some buildings' roofs collapsed due to the weight of rainwater. Underground tunnels lined with restaurants and shops, designed to keep Houston residents out of the muggy summer air, filled with water. The Houston theatre district and adjacent symphony hall flooded, destroying costumes and sets, as well as irreplaceable musical instruments and manuscripts. Houston bus stations and light rail lines were damaged. Barges and ships broke from their moorings in the Houston Ship Channel, while sediments from flood runoff filled in dredged ship channels.

Similarly, floodwaters filled the basements of hospitals in the Texas Medical Center, the largest medical complex in the United States. The flooding caused power failures at eight hospitals in the complex, and in some cases the deluge destroyed emergency generators as well. The loss of power caused a rush to save people on life support machines, who were then evacuated and relocated to other hospitals. Besides the immediate danger to patients, the flooded basements at the Texas Medical Center also destroyed sophisticated medical equipment, records, and laboratories. Notable losses from the Texas Medical Center include magnetic resonance imaging (MRI) machines, radiology equipment, and electron microscopes. Losses to ongoing medical research were staggering. Over 30,000 laboratory animals drowned in the flood, and loss of power destroyed cell cultures and other perishable items. An untold amount of research

documentation was lost in the flood as well. This extensive damage at the Texas Medical Center in turn caused significant business interruption expenses, as the center was forced to shut down two hospitals for several months. The destruction of diagnostic equipment such as MRI machines and other medical labs located in hospital basements delayed thousands of medical tests and scans. Other major business interruption losses in the Houston area included the port of Houston, which needed to be dredged to return to full operation, and the cancellation of over 1,000 commercial flights at Bush Intercontinental Airport, primarily caused by the inability of employees to get to work.

Residents of Houston move their damaged belongings out to the curb. Allison flooded 67,000 homes and caused the largest loss ever to the National Flood Insurance Program.

Loss Summary

Economic loss due to Tropical Storm Allison is estimated to be around \$6 billion, and could increase as losses continue to develop. The Houston Chronicle reported economic losses of \$4.88 billion in Houston alone, which included \$2.04 billion from public facilities (mostly the Texas Medical Center), \$1.08 billion in commercial and industrial losses, and \$1.76 billion in residential losses. The National Flood Insurance Program has received about 30,000 claims from Allison, and has estimated a loss of \$1 billion dollars to the program, the largest loss in the program's history. Flood damage to commercial properties and automobiles in Texas were the main source of losses due to Allison. Over 100,000 automobile claims were filed in the state, amounting to an estimated payout of over \$500 million. Meanwhile, claims for about ten thousand commercial properties amounted to a \$1.6 billion loss, with payouts averaging hundreds of thousands of dollars per claim. This amount of loss per claim is unprecedented, and is due to the flooding of a concentrated area of expensive commercial properties in downtown Houston. In comparison, Hurricane Floyd in 1999 caused widespread flooding from South Carolina to Maine, generating ten times the commercial claims of Allison. However, commercial losses from Floyd only amounted to \$1.24 billion, an average payout of around \$10,000 per claim, an order of magnitude less than Allison. The lower loss is due to Floyd primarily flooding buildings designed for light commercial use, rather than skyscrapers with hundreds of millions of dollars of property in their basements.

Discussion

Tropical Storm Allison demonstrated the potential of severe flooding stemming from tropical systems, as well as the need to consider this peril when assessing catastrophe reinsurance opportunities. Major floods from tropical systems in the United States occur about three times a decade, though insured losses will vary widely depending on the location of the flooding. Due to limited amounts of private-sector flood insurance for residential properties, large insured flood losses will typically originate in major cities with large industrial and commercial complexes.

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Staff

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The torrential rains - climaxing a 10-day stretch of gray, soggy weather - pushed water into many houses and more than 1,000 apartments, but no deaths or serious injuries were reported in *this area*.

At least three deaths in communities east of here were blamed on the weather system, however, as it spawned tornadoes and rainstorms as far away as Mississippi.

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"I woke up and someone was screaming," said Chemeka Jones, who lives at the Arbor Court apartments at 802 Seminar near Greens Bayou. "That's the only reason I got up, and the water was already up to my waist." She said she grabbed her 1-year-old daughter and headed for higher ground.

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FLOODING – OCTOBER 2002
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Date: WED 10/30/02

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In Beaumont, city workers found the body of Theresa Charles, 43, early Tuesday as they pumped water from an underpass. Police said she apparently drove into the underpass on Martin Luther King Parkway before dawn, unaware that it was flooded.

The emergency room at Christus St. Elizabeth Hospital, Beaumont's main trauma center, took on 4 to 5 feet of water and patients had to be moved to other floors. No injuries were reported.

The two deaths in southern Louisiana occurred early Tuesday about 30 miles northwest of Lafayette.

The victims, a 33-year-old woman and a 16-year-old girl, were in a mobile home that was thrown at least 300 yards by a tornado, officials said. Five other occupants were severely injured.

Also hard-hit was Liberty County, northeast of Houston, where about 10 inches of rain was measured within 24 hours and a tornado destroyed two mobile homes, authorities said.

The *residents* had heeded a tornado warning, however, and vacated the mobile-home park west of Dayton, officials said.

High water kept FM 834 closed in the Hull and Hardin areas Tuesday night.

Although most Houston-*area* roads were dry and streams were beginning to recede by midday Tuesday, some flood warnings remained in effect.

Frank Gutierrez of the Harris County Office of Emergency Management said the San Jacinto River was expected to crest Tuesday night and probably would push Lake Houston about 3.6 feet over its spillway. That could cause *flooding* downstream, he said, in areas such as Magnolia Gardens and Banana Bend.

Many bayous crested below flood stage, including upper White Oak and Greens bayous, he said.

Metro bus operations were almost back to normal Tuesday, and operations also were returning to normal at Houston's two big airports.

State transportation officials said all main freeway lanes in the Houston *area* were open by Tuesday afternoon, but the North Belt frontage roads remained impassable at the Hardy Toll Road and between Wilson Road and Garrett.

...
RAINFALL TOTALS Inches of rain in the 24-hour period ending at 8 a.m. Tuesday, according to the Harris County Office of Emergency Management:

Humble

7.28"

Greenspoint

6.18"

Jersey Village

7.13"

Webster

5.08'

Piney Point

3.27"

HOUSTON CHRONICLE ARCHIVES

Date: TUE 11/18/03

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Edition: 2 STAR

***Torrential troubles from relentless storm /Freak system cuts swath
of destruction***

By RAD SALLEE, MIKE TOLSON, SALATHEIA BRYANT, DALE LEZON, ERIC HANSON,
LUCAS WALL
Staff

What started as just another gloomy Monday, overcast and drizzly, turned into a nightmare of *torrential* rains, tornadoes and monstrous traffic jams as a freakish *storm* swept across Southeast Texas.

...

Between 11 a.m. and 4 p.m., CenterPoint Energy spokeswoman Alicia Dixon reported about 55,000 customers lost power to their homes, mostly in Fort Bend County, the Spring Branch area and Jersey Village. The high winds and heavy rain were expected to leave the area by midmorning today, Roeseler said. "The rest of the week looks fairly benign," he said.

...

HOUSTON AREA DRENCHED

A chain of slow-moving thunderstorms dumped heavy rain and spawned numerous tornadoes across the upper Gulf Coast Monday.

Tornado reports

Meadows Place (Kirkwood at W. Bellfort)

Southmore near South Freeway

West of Bush Intercontinental Airport

Brazoria

Dickinson

El Campo

Bay City

Pierce

Wharton

Boling

Midfield

Inches of rainfall in selected areas for 24-hour period ending 5:30 p.m. Monday

West of Bush Intercontinental Airport Tornado reported

White Oak Bayou Helicopter rescue of stranded trucker

W. Bellfort at Kirkwood Roof of apartment complex torn off

W. Bellfort at Dairy Ashford Day care center and gas station damaged by wind

Southmore near South Freeway St. James Episcopal Church sanctuary destroyed

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EXHIBIT "G"

**HARRIS COUNTY FLOOD CONTROL DISTRICT
DATA REFLECTING OWNERSHIP
BY HCAD
IN FAP AREA**

Owner Name	Property Address	Zip	Buyout cost
HARRIS COUNTY FLOOD CONTRL MCDONALD LESTER	8002 BREEZEWAY ST 8006 BREEZEWAY ST	77040 77040	\$103,154
HARRIS COUNTY FLOOD CONTRL	8010 BREEZEWAY ST	77040	\$100,000
HARRIS COUNTY FLOOD CONTRL	8014 BREEZEWAY ST	77040	\$102,000
HARRIS COUNTY FLOOD CONTRL	8018 BREEZEWAY ST	77040	\$92,500
HARRIS COUNTY FLOOD CONTRL	8019 BREEZEWAY ST	77040	\$98,000
HARRIS COUNTY FLOOD CONTRL GOMEZ AUDELINA & BRIGIDO	8022 BREEZEWAY ST 8023 BREEZEWAY ST	77040 77040	\$86,823
HARRIS COUNTY FLOOD CONTRL	8026 BREEZEWAY ST	77040	\$98,734
HARRIS COUNTY FLOOD CONTRL	8030 BREEZEWAY ST	77040	\$100,000
ABBIT BRIAN JEROD & KIM D GONZALEZ SAMUEL	8031 BREEZEWAY ST 8034 BREEZEWAY ST	77040 77040	
LAFORME LORI & FRANK	8038 BREEZEWAY ST	77040	
HOWELL EVERETT M & OVENS BLAIR ANDREW & DONNA M	8042 BREEZEWAY ST 8046 BREEZEWAY ST	77040 77040	
HOWELL SHELLY J	8047 BREEZEWAY ST	77040	
POPE TERRI L	8050 BREEZEWAY ST	77040	
OCHOA JOSE F	8054 BREEZEWAY ST	77040	
LAWLER THOMAS E III & HARRIS COUNTY FLOOD CONTRL	8058 BREEZEWAY ST 8062 BREEZEWAY ST	77040 77040	\$102,000
LOCKHART JOSEPH CLAY	8102 BREEZEWAY ST	77040	
HARRIS COUNTY FLOOD CONTRL	8106 BREEZEWAY ST	77040	
HARRIS COUNTY FLOOD CONTRL	8110 BREEZEWAY ST	77040	\$104,000
FRIDY MYRON	8114 BREEZEWAY ST	77040	
HALL PATRICIA S	8118 BREEZEWAY ST	77040	
KOMINEK JAMIE E	8122 BREEZEWAY ST	77040	
LANMAN DONALD E & NORINE J HARRIS COUNTY FLOOD CONTRL	8126 BREEZEWAY ST 8130 BREEZEWAY ST	77040 77040	\$106,000
HARRIS COUNTY FLOOD CONTRL	8134 BREEZEWAY ST	77040	\$124,000
HARRIS COUNTY FLOOD CONTRL	0 Cole Creek Dr	77040	\$13,500
GRAY BRIAN M & LEONICKA HARRIS COUNTY FLOOD CONTRL	9202 COLE CREEK DR 9203 COLE CREEK DR	77040 77040	\$92,000
HARRIS COUNTY FLOOD CONTRL	9207 COLE CREEK DR	77040	\$58,296
HARRIS COUNTY FLOOD CONTRL	9211 COLE CREEK DR	77040	\$90,000
HARRIS COUNTY FLOOD CONTRL	9214 COLE CREEK DR	77040	\$77,093
HARRIS COUNTY FLOOD CONTRL	9215 COLE CREEK DR	77040	\$58,615
HARRIS COUNTY FLOOD CONTRL	9218 COLE CREEK DR	77040	\$80,377
HARRIS COUNTY FLOOD CONTRL	9219 COLE CREEK DR	77040	\$92,500
HARRIS COUNTY FLOOD CONTRL	9222 COLE CREEK DR	77040	\$91,000
HARRIS COUNTY FLOOD CONTRL	9223 COLE CREEK DR	77040	\$67,216
HARRIS COUNTY FLOOD CONTRL	9226 COLE CREEK DR	77040	\$80,000
HARRIS COUNTY FLOOD CONTRL	9302 COLE CREEK DR	77040	\$89,000
HARRIS COUNTY FLOOD CONTRL	9303 COLE CREEK DR	77040	\$71,653
HARRIS COUNTY FLOOD CONTRL	9306 COLE CREEK DR	77040	\$90,000
HARRIS COUNTY FLOOD CONTRL	9307 COLE CREEK DR	77040	\$81,000
HARRIS COUNTY FLOOD CONTRL	9310 COLE CREEK DR	77040	\$74,833
HARRIS COUNTY FLOOD CONTRL	9311 COLE CREEK DR	77040	\$66,824
HARRIS COUNTY FLOOD CONTRL	9314 COLE CREEK DR	77040	\$61,119
HAYTER BRENDA M HARRIS COUNTY FLOOD CONTRL	9315 COLE CREEK DR 9317 COLE CREEK DR	77040 77040	\$111,684
HARRIS COUNTY FLOOD CONTRL	9318 COLE CREEK DR	77040	\$27,126
HARRIS COUNTY FLOOD CONTRL	7302 GAILEY LN	77040	\$192,500
HARRIS COUNTY FLOOD CONTRL	7307 GAILEY LN	77040	\$133,933
HARRIS COUNTY FLOOD CONTRL	7310 GAILEY LN	77040	\$182,500
HARRIS COUNTY FLOOD CONTRL	7311 GAILEY LN	77040	\$140,000
NELSON ELAINE F & PATRICK	7323 GAILEY LN	77040	

HERRERA AVEL F	7334 GAILEY LN	77040	
HARRIS COUNTY FLOOD CONTRL	7342 GAILEY LN	77040	\$170,500
HARRIS COUNTY FLOOD CONTRL	7360 GAILEY LN	77040	\$330,000
HARRIS COUNTY FLOOD CONTRL	7363 GAILEY LN	77040	\$135,000
HARRIS COUNTY FLOOD CONTRL	7422 GAILEY LN	77040	\$207,500
JASSO ALEX & MARY G	7431 GAILEY LN	77040	
HEINRICH ALFONS J	7510 GAILEY LN	77040	
SUMMERS T A JR	7511 GAILEY LN	77040	
APFFEL MARGARET ANN	7519 GAILEY LN	77040	
CASSIDY LINDA L	7602 GAILEY LN	77040	
HAMBLIN VICKIE	7604 GAILEY LN	77040	
HARRIS COUNTY FLOOD CONTRL	9302 GUYWOOD ST	77040	\$79,055
SOMOZA ELDER D & MATILDE	9303 GUYWOOD ST	77040	
MORENO DEMETRIO	9306 GUYWOOD ST	77040	
ROSALES SHARON &	9307 GUYWOOD ST	77040	
DELOSSANTOS VERONICA	9311 GUYWOOD ST	77040	
NEEL RUSSELL L & LINDA R	9314 GUYWOOD ST	77040	
HAWKINS CAROLYN F	9315 GUYWOOD ST	77040	
ENRIQUEZ ROSA A &	9318 GUYWOOD ST	77040	
ALANIS ALMA N & JUVENTINO	9319 GUYWOOD ST	77040	
HARRIS COUNTY FLOOD CONTRL	9102 INCE LN	77040	\$96,980
HARRIS COUNTY FLOOD CONTRL	9103 INCE LN	77040	\$107,921
HARRIS COUNTY FLOOD CONTRL	9106 INCE LN	77040	\$119,000
JORDAN MARY J	9107 INCE LN	77040	
HARRIS COUNTY FLOOD CONTRL	9110 INCE LN	77040	\$99,895
HARRIS COUNTY FLOOD CONTRL	9111 INCE LN	77040	\$94,000
HARRIS COUNTY FLOOD CONTRL	9114 INCE LN	77040	\$121,000
MYERS BILLY	9115 INCE LN	77040	
HARRIS COUNTY FLOOD CONTRL	9118 INCE LN	77040	\$114,000
HARRIS COUNTY FLOOD CONTROL	9119 INCE LN	77040	\$110,000
HARRIS COUNTY FLOOD CONTRL	9122 INCE LN	77040	\$102,731
HARRIS COUNTY FLOOD CONTRL	15702 JERSEY DR	77040	\$121,609
GARDNER JONATHON &	15703 JERSEY DR	77040	
FRANKEL GARY J & NANCY	15706 JERSEY DR	77040	
METCALF TAMMIE	15710 JERSEY DR	77040	
LADNER JOHN T & KATHERINE	15714 JERSEY DR	77040	
GIERING INVESTMENTS LP	15715 JERSEY DR	77040	
CHALLENGER ROBERT M &	15718 JERSEY DR	77040	
HARRIS COUNTY FLOOD CONTRL	7305 LAKE LN	77040	\$170,000
WILSON CONNIE J	7307 LAKE LN	77040	
HARRIS COUNTY FLOOD CONTRL	7310 LAKE LN	77040	\$158,500
HARRIS COUNTY FLOOD CONTRL	7311 LAKE LN	77040	\$172,196
WHITTON NED & CONNIE	7315 LAKE LN	77040	
CORTES MARIA	9110 LONG BARREL LN	77040	
GUERRERO RAFAEL & ANA B	9111 LONG BARREL LN	77040	
ZAMARRON LUIS G	9114 LONG BARREL LN	77040	
BILLICK ANTHONY III	9115 LONG BARREL LN	77040	
NEISWANGER JACK P	9118 LONG BARREL LN	77040	
HARRIS COUNTY FLOOD CONTRL	9119 LONG BARREL LN	77040	\$121,000
HARRIS COUNTY FLOOD CONTRL	9122 LONG BARREL LN	77040	\$100,514
WILL PAUL C JR	9002 LOREN LN	77040	
HARRIS COUNTY FLOOD CONTRL	9006 LOREN LN	77040	\$112,500
HARRIS COUNTY FLOOD CONTRL	9010 LOREN LN	77040	\$79,039
HARRIS COUNTY FLOOD CONTRL	9014 LOREN LN	77040	\$76,664
HARRIS COUNTY FLOOD CONTRL	9018 LOREN LN	77040	\$73,201
HARRIS COUNTY FLOOD CONTRL	9022 LOREN LN	77040	\$69,705
HARRIS COUNTY FLOOD CONTRL	9026 LOREN LN	77040	\$99,000

HARRIS COUNTY FLOOD CONTRL	9030 LOREN LN	77040	\$110,000
HARRIS COUNTY FLOOD CONTRL	9034 LOREN LN	77040	\$109,500
HARRIS COUNTY FLOOD CONTRL	9038 LOREN LN	77040	\$103,000
HARRIS COUNTY FLOOD CONTRL	9102 LOREN LN	77040	\$93,736
HAGGERTON MORRIS R JR &	9103 LOREN LN	77040	
HARRIS COUNTY FLOOD CONTRL	9106 LOREN LN	77040	\$96,000
HARRIS COUNTY FLOOD CONTRL	9107 LOREN LN	77040	\$86,703
HARRIS COUNTY FLOOD CONTRL	9110 LOREN LN	77040	\$84,703
HARRIS COUNTY FLOOD CONTRL	9111 LOREN LN	77040	\$86,398
HARRIS COUNTY FLOOD CONTRL	9114 LOREN LN	77040	\$104,000
HARRIS COUNTY FLOOD CONTROL	9115 LOREN LN	77040	\$117,000
MENDEZ LUIS E	9118 LOREN LN	77040	
SULLIVAN EMMANUEL J	9119 LOREN LN	77040	
CURRY VERONICA SUE	9122 LOREN LN	77040	
FREYRE AMANDA &	9123 LOREN LN	77040	
HARRIS COUNTY FLOOD CONTRL	9126 LOREN LN	77040	\$117,353
HARRIS COUNTY FLOOD CONTRL	9127 LOREN LN	77040	\$85,654
HARRIS COUNTY FLOOD CONTRL	9130 LOREN LN	77040	\$118,000
HARRIS COUNTY FLOOD CONTRL	9131 LOREN LN	77040	\$107,000
HARRIS COUNTY FLOOD CONTRL	7802 MACHALA LN	77040	\$112,500
HARRIS COUNTY FLOOD CONTRL	7803 MACHALA LN	77040	\$117,000
HARRIS COUNTY FLOOD CONTRL	7806 MACHALA LN	77040	\$82,682
SEELING JACK	7807 MACHALA LN	77040	
HARRIS COUNTY FLOOD CONTRL	7810 MACHALA LN	77040	\$104,000
HARRIS COUNTY FLOOD CONTRL	7811 MACHALA LN	77040	\$106,000
HARRIS COUNTY FLOOD CONTRL	7814 MACHALA LN	77040	\$100,119
HARRIS COUNTY FLOOD CONTROL	7815 MACHALA LN	77040	\$109,000
HARRIS COUNTY FLOOD CONTRL	7818 MACHALA LN	77040	\$104,000
RUIZ JOE PAUL & PATRICIA	7819 MACHALA LN	77040	
HARRIS COUNTY FLOOD CONTRL	7822 MACHALA LN	77040	\$103,525
ALEMAN ANDRES	7823 MACHALA LN	77040	
HARRIS COUNTY FLOOD CONTRL	7827 MACHALA LN	77040	\$105,000
HERNENDEZ ROSA C & ETAL	7830 MACHALA LN	77040	
MOSQUEDA STEVEN & MARY	7831 MACHALA LN	77040	
HARRIS COUNTY FLOOD CONTRL	7834 MACHALA LN	77040	\$107,000
YOUNG SAMUEL & BRENDA	7835 MACHALA LN	77040	
HARRIS COUNTY FLOOD CONTRL	7838 MACHALA LN	77040	\$101,192
GARRISON RONALD & SHEILA	7839 MACHALA LN	77040	
ORTEGA FRANCISCO	7842 MACHALA LN	77040	
HARRIS COUNTY FLOOD CONTRL	7843 MACHALA LN	77040	\$104,000
VELASQUEZ JUAN R & PETRA G	7846 MACHALA LN	77040	
FIGGS HELEN M	7847 MACHALA LN	77040	
TAM ANNIE	7850 MACHALA LN	77040	
GALLEGOS JESUS	7851 MACHALA LN	77040	
GATES BRENDA	7854 MACHALA LN	77040	
HARRIS COUNTY FLOOD CONTRL	7855 MACHALA LN	77040	\$100,777
JIMENEZ MARIO	7902 MACHALA LN	77040	
DAVIS LEE	7903 MACHALA LN	77040	
GRESHAM THOMAS MICHAEL &	7906 MACHALA LN	77040	
DAVIS RAYMOND	7907 MACHALA LN	77040	
RODRIGUEZ ENRIQUE &	7910 MACHALA LN	77040	
HARRIS COUNTY FLOOD CONTRL	7911 MACHALA LN	77040	\$110,000
HARKSEN FLORA	7914 MACHALA LN	77040	
ROCHE JACUELINE	7915 MACHALA LN	77040	
BATTEN LIVING TRUST	7918 MACHALA LN	77040	
DAY JOANNE	7922 MACHALA LN	77040	
AMARO ESTANISLAO	7923 MACHALA LN	77040	

SKYLANE HOUSTON LTD	7926 MACHALA LN	77040	
MONTIEL ALMA FLOR	7927 MACHALA LN	77040	
PENDING	8202 N TAHOE DR	77040	
BYRNE LESLIE W	8205 N TAHOE DR	77040	
SEMPE W WILLIAM H JR	8206 N TAHOE DR	77040	
KEILERS ALOIS O	8210 N TAHOE DR	77040	
YAKLIN P O	8213 N TAHOE DR	77040	
HARRIS COUNTY FLOOD CONTRL	8221 N TAHOE DR	77040	\$400,000
HARRIS COUNTY FLOOD CONTRL	9102 NOOK CT	77040	\$95,077
HUBBARD NADINE D &	9103 NOOK CT	77040	
HARRIS COUNTY FLOOD CONTRL	9106 NOOK CT	77040	\$104,500
BARBOSA ROBERT E & LUPE R	9107 NOOK CT	77040	
HARRIS COUNTY FLOOD CONTRL	9110 NOOK CT	77040	\$116,500
HARRIS COUNTY FLOOD CONTRL	9111 NOOK CT	77040	
HARRIS COUNTY FLOOD CONTRL	9114 NOOK CT	77040	\$112,000
HARRIS COUNTY FLOOD CONTRL	9115 NOOK CT	77040	\$108,000
OROBIO ANTONIO & DORIS	9118 NOOK CT	77040	
HARRIS COUNTY FLOOD CONTRL	9119 NOOK CT	77040	\$121,250
CORREA CONNIE	9122 NOOK CT	77040	
HARRIS COUNTY FLOOD CONTRL	9123 NOOK CT	77040	\$93,245
EVANS ARTHUR D	9126 NOOK CT	77040	
BRANHAM CRYSTAL LYNN	9127 NOOK CT	77040	
GARZA ORLANDO H JR	9130 NOOK CT	77040	
HARRIS COUNTY FLOOD CONTRL	9131 NOOK CT	77040	\$119,000
HARRIS COUNTY FLOOD CONTRL	7303 PIERREPONT DR	77040	\$121,000
HARRIS COUNTY FLOOD CONTRL	7306 PIERREPONT DR	77040	\$119,000
PEDERSEN PETER B &	7307 PIERREPONT DR	77040	
TORRES PAULA A	7310 PIERREPONT DR	77040	
HARRIS COUNTY FLOOD CONTRL	7311 PIERREPONT DR	77040	\$98,000
CERROS ZULMA Y	7314 PIERREPONT DR	77040	
AVILA SANTANA &	7315 PIERREPONT DR	77040	
HARRIS COUNTY FLOOD CONTRL	7318 PIERREPONT DR	77040	\$98,000
VIDES ORLANDO	7319 PIERREPONT DR	77040	
PENDING	7322 PIERREPONT DR	77040	
TORRES ROGELIO & ROSA	7323 PIERREPONT DR	77040	
HARRIS COUNTY FLOOD CONTRL	7326 PIERREPONT DR	77040	\$103,000
MORTGAGE ELECTRONIC	7327 PIERREPONT DR	77040	
BOTELLO JESUS G & ANNA	7330 PIERREPONT DR	77040	
PEREDES HECTOR	7331 PIERREPONT DR	77040	
GUERRERO ALVINO JR	7334 PIERREPONT DR	77040	
CEDILLOS JOSE A	7335 PIERREPONT DR	77040	
CREEKSIDE UTILITIES INC	7102 RIVER FERN DR	77040	
HARRIS COUNTY FLOOD CONTRL	7103 RIVER FERN DR	77040	\$14,000
HARRIS COUNTY FLOOD CONTRL	7106 RIVER FERN DR	77040	
HARRIS COUNTY FLOOD CONTRL	7107 RIVER FERN DR	77040	\$88,021
HARRIS COUNTY FLOOD CONTRL	7110 RIVER FERN DR	77040	\$127,500
HARRIS COUNTY FLOOD CONTRL	7111 RIVER FERN DR	77040	\$82,124
MARIN LEOBARDO & OLIVIA	7114 RIVER FERN DR	77040	
TRAN HAO T	7115 RIVER FERN DR	77040	
CHU WEN-HO	7118 RIVER FERN DR	77040	
HARRIS COUNTY FLOOD CONTRL	7119 RIVER FERN DR	77040	\$101,759
HARRIS COUNTY FLOOD CONTRL	7122 RIVER FERN DR	77040	\$53,450
HARRIS COUNTY FLOOD CONTRL	7123 RIVER FERN DR	77040	\$74,785
HARRIS COUNTY FLOOD CONTRL	7126 RIVER FERN DR	77040	\$92,354
HARRIS COUNTY FLOOD CONTRL	7127 RIVER FERN DR	77040	\$63,692
HARRIS COUNTY FLOOD CONTRL	7130 RIVER FERN DR	77040	\$92,750
HARRIS COUNTY FLOOD CONTRL	7131 RIVER FERN DR	77040	\$108,500

HARRIS COUNTY FLOOD CONTRL	7134 RIVER FERN DR	77040	\$116,250
HARRIS COUNTY FLOOD CONTRL	7202 RIVER FERN DR	77040	\$120,000
HORSTMAN DANIEL J & ALISON	7206 RIVER FERN DR	77040	
MAYORA HORACIO A	7210 RIVER FERN DR	77040	
GARCIA TORGY L	7214 RIVER FERN DR	77040	
CAHEE G RANDALL	7218 RIVER FERN DR	77040	
YOUNG JOHN A JR	7222 RIVER FERN DR	77040	
BECK ROYCE G & BARBARA	7226 RIVER FERN DR	77040	
LAFLEY DALE C & CHARLOTTE	7302 RIVER FERN DR	77040	
HARRIS COUNTY FLOOD CONTRL	7426 ROLLING FORK LN	77040	\$200,000
ADAMS KARLYN & JIM	7502 ROLLING FORK LN	77040	
ADAMS KARLYN & JIM	7502 ROLLING FORK LN	77040	
MCALEESE KATHRYN	7510 ROLLING FORK LN	77040	
MCALEESE KATHRYN N	7518 ROLLING FORK LN	77040	
SPEER SHARRON L	7602 ROLLING FORK LN	77040	
SMITH MATTHEW &	7610 ROLLING FORK LN	77040	
RISINGERHERBERT	7618 ROLLING FORK LN	77040	
HARRIS COUNTY FLOOD CONTRL	7803 SHADY ARBOR LN	77040	\$125,000
HARRIS COUNTY FLOOD CONTRL	7806 SHADY ARBOR LN	77040	\$109,000
HARRIS COUNTY FLOOD CONTRL	7807 SHADY ARBOR LN	77040	\$110,000
GAMEZ ANTONIO	7810 SHADY ARBOR LN	77040	
SULLIVAN JUDY	7811 SHADY ARBOR LN	77040	
HARRIS COUNTY FLOOD CONTRL	7814 SHADY ARBOR LN	77040	\$100,000
HARRIS COUNTY FLOOD CONTRL	7815 SHADY ARBOR LN	77040	\$112,000
HARRIS COUNTY FLOOD CONTRL	7818 SHADY ARBOR LN	77040	\$104,000
FUENTES MARIA A	7819 SHADY ARBOR LN	77040	
HARRIS COUNTY FLOOD CONTRL	7822 SHADY ARBOR LN	77040	\$101,000
HARRIS COUNTY FLOOD CONTRL	7823 SHADY ARBOR LN	77040	\$87,794
GARCIA GUSTAVO	7826 SHADY ARBOR LN	77040	
PASCIONI GARY L	7827 SHADY ARBOR LN	77040	
BARBER VANCE H	7830 SHADY ARBOR LN	77040	
PENAE ROBERTO & MARIA D	7831 SHADY ARBOR LN	77040	
RAYFORD TERRY J	7834 SHADY ARBOR LN	77040	
SANCHEZ JOSE	7835 SHADY ARBOR LN	77040	
RENTERIA PRAXEDES	7838 SHADY ARBOR LN	77040	
HARRIS COUNTY FLOOD CONTRL	7839 SHADY ARBOR LN	77040	\$99,808
DRISKILL CYNTHIA J	7842 SHADY ARBOR LN	77040	
AGUILAR DANIEL M & MARIA E	7843 SHADY ARBOR LN	77040	
GORGUA IGNACIO	7846 SHADY ARBOR LN	77040	
LYNN TATUM	7847 SHADY ARBOR LN	77040	
WHATLEY EMILY LOUISE	7850 SHADY ARBOR LN	77040	
HUGHES MARY ANN &	7851 SHADY ARBOR LN	77040	
GARICA GEORGE & SERAFINA	7854 SHADY ARBOR LN	77040	
LOPEZ JULIO C & GENOVEVA	7855 SHADY ARBOR LN	77040	
PAYNE CHARLES L & TAMARA B	7858 SHADY ARBOR LN	77040	
PENDING	7859 SHADY ARBOR LN	77040	
TREVINO RENE	7902 SHADY ARBOR LN	77040	
WILSON CAROLYN JO	7903 SHADY ARBOR LN	77040	
HARRIS COUNTY FLOOD CONTRL	7906 SHADY ARBOR LN	77040	\$110,000
GONZALEZ MARIO & ROSA L	7907 SHADY ARBOR LN	77040	
REYES IRVIN & GLADIS	7910 SHADY ARBOR LN	77040	
HINSON LARRY L	7911 SHADY ARBOR LN	77040	
SANCHEZ CELSA	7914 SHADY ARBOR LN	77040	
OROZCO FELIPE	7915 SHADY ARBOR LN	77040	
ARRENDONDO ANTONIO	7918 SHADY ARBOR LN	77040	
DELGATTO JOSEPH E &	7919 SHADY ARBOR LN	77040	
HARRIS COUNTY FLOOD CONTRL	7923 SHADY ARBOR LN	77040	\$107,000

HARRIS COUNTY FLOOD CONTRL	7926 SHADY ARBOR LN	77040	\$103,000
REYES ALFREDO	7927 SHADY ARBOR LN	77040	
BECKER MICHAEL	7930 SHADY ARBOR LN	77040	
REECE JAMES D	7931 SHADY ARBOR LN	77040	
TATE ALVIN VIVIAN M	7934 SHADY ARBOR LN	77040	
KELLEY VERONICA & BOWMAN	7935 SHADY ARBOR LN	77040	
FLORES MOISES	7939 SHADY ARBOR LN	77040	
GOLDEN HARMON & MAXINE	7943 SHADY ARBOR LN	77040	
RODENBECK MICHELLE & ERIC	7947 SHADY ARBOR LN	77040	
VAVRICKA C L	7951 SHADY ARBOR LN	77040	
MUDRY STEPHEN C	7955 SHADY ARBOR LN	77040	
HARRIS COUNTY FLOOD CONTRL	7959 SHADY ARBOR LN	77040	\$112,520
HARRIS COUNTY FLOOD CONTRL	8002 SHADY ARBOR LN	77040	\$83,863
HARRIS COUNTY FLOOD CONTRL	8003 SHADY ARBOR LN	77040	\$116,000
HARRIS COUNTY FLOOD CONTRL	8006 SHADY ARBOR LN	77040	\$94,000
MARQUEZ LORENZO	8007 SHADY ARBOR LN	77040	
GARCIA FELIX P & MARIA E	8010 SHADY ARBOR LN	77040	
ALVAREZ NERY N	8011 SHADY ARBOR LN	77040	
GARCIA ARMANDO	8014 SHADY ARBOR LN	77040	
HA TUAN	8015 SHADY ARBOR LN	77040	
HARRIS COUNTY FLOOD CONTRL	8018 SHADY ARBOR LN	77040	\$103,000
THOMAS TONYA	8019 SHADY ARBOR LN	77040	
HARRIS COUNTY FLOOD CONTRL	8022 SHADY ARBOR LN	77040	\$95,120
HARRIS COUNTY FLOOD CONTRL	8023 SHADY ARBOR LN	77040	\$101,499
HARRIS COUNTY FLOOD CONTRL	8026 SHADY ARBOR LN	77040	\$99,500
SIMON KINNIE & BERNADETTE	8027 SHADY ARBOR LN	77040	
ROSALES GABRIEL	8030 SHADY ARBOR LN	77040	
TORRES JUANA E & EDDIE	8031 SHADY ARBOR LN	77040	
STREBECK D G	8034 SHADY ARBOR LN	77040	
HARRIS COUNTY FLOOD CONTRL	8035 SHADY ARBOR LN	77040	\$89,442
ISLAND ORLANDO	8102 SHADY ARBOR LN	77040	
HARRIS COUNTY FLOOD CONTRL	8103 SHADY ARBOR LN	77040	\$100,000
HARRIS COUNTY FLOOD CONTRL	8106 SHADY ARBOR LN	77040	\$99,500
HARRIS COUNTY FLOOD CONTRL	8107 SHADY ARBOR LN	77040	\$78,204
CHAVEZ MARCO	8110 SHADY ARBOR LN	77040	
GARCIA ANNA	8111 SHADY ARBOR LN	77040	
PATEL KN	8114 SHADY ARBOR LN	77040	
SANFORD ROCKY ALLEN	8115 SHADY ARBOR LN	77040	
CASTANEDA GUILLERMINA	8118 SHADY ARBOR LN	77040	
HARRIS COUNTY FLOOD CONTRL	8119 SHADY ARBOR LN	77040	\$110,000
HARRIS COUNTY FLOOD CONTRL	8122 SHADY ARBOR LN	77040	\$95,399
HEADRICK SALLY S	8123 SHADY ARBOR LN	77040	
HARRIS COUNTY FLOOD CONTRL	8126 SHADY ARBOR LN	77040	\$114,000
MACIEL GILBERTO	8127 SHADY ARBOR LN	77040	
HARRIS COUNTY FLOOD CONTRL	8130 SHADY ARBOR LN	77040	\$104,214
ALLMAN DOUGLAS	8131 SHADY ARBOR LN	77040	
HARRIS COUNTY FLOOD CONTRL	8134 SHADY ARBOR LN	77040	\$107,000
LAI HUGH VAN	8135 SHADY ARBOR LN	77040	
SHAFFER SUSAN L	8138 SHADY ARBOR LN	77040	
GUERRA SILVIA &	8139 SHADY ARBOR LN	77040	
COOPER CARLA I	8203 SHADY ARBOR LN	77040	
SYER J L	8207 SHADY ARBOR LN	77040	
HARRIS COUNTY FLOOD CONTRL	8211 SHADY ARBOR LN	77040	\$91,000
TOMPKINS TROY & ROBYN	8215 SHADY ARBOR LN	77040	
HA LYNN K	7002 SHADY GROVE CT	77040	
CAMPBELL MICHAEL EDWARD	7003 SHADY GROVE CT	77040	
HARRIS COUNTY FLOOD CONTRL	7006 SHADY GROVE CT	77040	\$112,000

HU SHAO LEAN	7007 SHADY GROVE CT	77040	
MACK WILLIAM J & TERI L	7010 SHADY GROVE CT	77040	
LLOYD JOYCE W	7402 SHADY GROVE LN	77040	
NIELSEN MARK DAVID	7406 SHADY GROVE LN	77040	
HARRIS COUNTY FLOOD CONTRL	7803 SHADY GROVE LN	77040	\$72,687
HARRIS COUNTY FLOOD CONTRL	7807 SHADY GROVE LN	77040	\$112,500
HARRIS COUNTY FLOOD CONTRL	7811 SHADY GROVE LN	77040	\$124,000
JENSON LARRY A & JUDITH	7815 SHADY GROVE LN	77040	
HARRIS COUNTY FLOOD CONTRL	7819 SHADY GROVE LN	77040	\$100,000
HARRIS COUNTY FLOOD CONTRL	7823 SHADY GROVE LN	77040	\$101,000
HARRIS COUNTY FLOOD CONTRL	7827 SHADY GROVE LN	77040	\$104,000
LYELL DAVID D	7831 SHADY GROVE LN	77040	
HARRIS COUNTY FLOOD CONTRL	7835 SHADY GROVE LN	77040	\$105,647
SALINAS GERARDO & VERONICA	7839 SHADY GROVE LN	77040	
HARRIS COUNTY FLOOD CONTRL	7843 SHADY GROVE LN	77040	\$107,000
DIVIN LEON	7847 SHADY GROVE LN	77040	
HARRIS COUNTY FLOOD CONTRL	7851 SHADY GROVE LN	77040	\$116,000
RODRIGUEZ BENIGNO	7903 SHADY GROVE LN	77040	
FERMAN PEDRO A	7905 SHADY GROVE LN	77040	
CLARK BYRON & APRIL J	7907 SHADY GROVE LN	77040	
HARRIS COUNTY FLOOD CONTRL	7909 SHADY GROVE LN	77040	\$102,000
TIJERINA DAVID JR & MARCIA	7911 SHADY GROVE LN	77040	
HARRIS COUNTY FLOOD CONTRL	7913 SHADY GROVE LN	77040	\$105,000
SMITH SHARYN M	7915 SHADY GROVE LN	77040	
TAM ANNIE	7917 SHADY GROVE LN	77040	
HARRIS COUNTY FLOOD CONTRL	7919 SHADY GROVE LN	77040	\$117,000
HARRIS COUNTY FLOOD CONTRL	7921 SHADY GROVE LN	77040	\$108,000
HARRIS COUNTY FLOOD CONTRL	7923 SHADY GROVE LN	77040	\$114,000
HODRICK LEON & ANGELA M	7925 SHADY GROVE LN	77040	
GUTIERREZ ISMAEL	7927 SHADY GROVE LN	77040	
HARRIS COUNTY FLOOD CONTRL	7931 SHADY GROVE LN	77040	\$56,632
CAMPBELL MICHAEL E	7934 SHADY GROVE LN	77040	
HARRIS COUNTY FLOOD CONTRL	7935 SHADY GROVE LN	77040	\$120,000
HARRIS COUNTY FLOOD CONTRL	7938 SHADY GROVE LN	77040	\$98,500
PICCOLO J N	8002 SHADY GROVE LN	77040	
LOCKE RUSSELL & DEBRA	8006 SHADY GROVE LN	77040	
HARRIS COUNTY FLOOD CONTRL	8010 SHADY GROVE LN	77040	\$109,000
WELLS FARGO BANK NA	8014 SHADY GROVE LN	77040	
HARRIS COUNTY FLOOD CONTRL	8018 SHADY GROVE LN	77040	\$103,000
BROCATO CHARLES	8022 SHADY GROVE LN	77040	
LOVE HOWARD STEPHEN &	8023 SHADY GROVE LN	77040	
PARKS MELISSA N	8102 SHADY GROVE LN	77040	
HARRIS COUNTY FLOOD CONTRL	8103 SHADY GROVE LN	77040	\$112,000
CASTRO JORGE G	8106 SHADY GROVE LN	77040	
PEREZ ELEANOR	8107 SHADY GROVE LN	77040	
HARRIS COUNTY FLOOD CONTRL	8110 SHADY GROVE LN	77040	\$109,000
VARNER BETTY JANE	8111 SHADY GROVE LN	77040	
DURAN SAUL E	8114 SHADY GROVE LN	77040	
TALLEY BILLY W	8115 SHADY GROVE LN	77040	
HARRIS COUNTY FLOOD CONTRL	8118 SHADY GROVE LN	77040	\$77,007
SON JIN & GEUM JUNG	8119 SHADY GROVE LN	77040	
SCOTT BUFFY &	8122 SHADY GROVE LN	77040	
HARRIS COUNTY FLOOD CONTRL	8123 SHADY GROVE LN	77040	\$103,000
BECK SHERRY T HARMON	8126 SHADY GROVE LN	77040	
RODRIGUEZ DANIEL	8127 SHADY GROVE LN	77040	
NOUR ABDOULSHAK	8130 SHADY GROVE LN	77040	
KELM R A	8131 SHADY GROVE LN	77040	

GRAY IRENE	8134 SHADY GROVE LN	77040	
MORALES ESTEBANA Y	8135 SHADY GROVE LN	77040	
HARRIS COUNTY FLOOD CONTRL	8138 SHADY GROVE LN	77040	
LIAU JON LIU & AUDREY T	8139 SHADY GROVE LN	77040	
HARRIS COUNTY FLOOD CONTRL	7106 SHADY MILL DR	77040	\$98,000
HARRIS COUNTY FLOOD CONTRL	7110 SHADY MILL DR	77040	\$95,000
HARRIS COUNTY FLOOD CONTRL	7114 SHADY MILL DR	77040	\$100,000
GOFORTH VIRGINIA	7118 SHADY MILL DR	77040	
HARRIS COUNTY FLOOD CONTRL	7122 SHADY MILL DR	77040	\$102,000
CERVANTES ISMAIL	7126 SHADY MILL DR	77040	
MCDANIEL J L	7127 SHADY MILL DR	77040	
RIOS PABLO &	7130 SHADY MILL DR	77040	
PINEDA MARIA V	7131 SHADY MILL DR	77040	
HARRIS COUNTY FLOOD CONTRL	7134 SHADY MILL DR	77040	\$95,000
RUBIO ERASMO	7135 SHADY MILL DR	77040	
SOSA SANTOS &	7138 SHADY MILL DR	77040	
HARRIS COUNTY FLOOD CONTRL	7139 SHADY MILL DR	77040	\$89,205
HARRIS COUNTY FLOOD CONTRL	7142 SHADY MILL DR	77040	\$99,500
FLORES JOSE C	7143 SHADY MILL DR	77040	
HARRIS COUNTY FLOOD CONTRL	7146 SHADY MILL DR	77040	\$102,000
CASTILLO MARIO V	7147 SHADY MILL DR	77040	
HARRIS COUNTY FLOOD CONTRL	7150 SHADY MILL DR	77040	\$89,808
CHARLES REGINALD & MONICA	7151 SHADY MILL DR	77040	
HARRIS COUNTY FLOOD CONTRL	7154 SHADY MILL DR	77040	\$102,923
HARRIS COUNTY FLOOD CONTRL	7155 SHADY MILL DR	77040	\$94,000
ANDREWS GARY M	7158 SHADY MILL DR	77040	
FERGESON C E	7159 SHADY MILL DR	77040	
HARRIS COUNTY FLOOD CONTRL	7162 SHADY MILL DR	77040	\$103,904
HARRIS COUNTY FLOOD CONTRL	7163 SHADY MILL DR	77040	\$96,000
CONTRERAS RICARDO DE ANDA	7166 SHADY MILL DR	77040	
KOOP FREDERICK W	7167 SHADY MILL DR	77040	
HARRIS COUNTY FLOOD CONTRL	7170 SHADY MILL DR	77040	\$105,000
ROSALES ALBERTO & ANA	7171 SHADY MILL DR	77040	
REXER FRED L & LINDA A	7175 SHADY MILL DR	77040	
HARRIS COUNTY FLOOD CONTRL	7102 SHADY VALE LN	77040	\$103,000
HARRIS COUNTY FLOOD CONTRL	7106 SHADY VALE LN	77040	\$104,000
CASTRO ROSA L &	7107 SHADY VALE LN	77040	
VILLEDIA TERESA	7110 SHADY VALE LN	77040	
HARRIS COUNTY FLOOD CONTRL	7111 SHADY VALE LN	77040	\$106,000
HARRIS COUNTY FLOOD CONTRL	7114 SHADY VALE LN	77040	\$99,000
HARRIS COUNTY FLOOD CONTRL	7115 SHADY VALE LN	77040	\$98,204
HARRIS COUNTY FLOOD CONTRL	7118 SHADY VALE LN	77040	\$99,000
HARRIS COUNTY FLOOD CONTRL	7119 SHADY VALE LN	77040	\$103,000
HARRIS COUNTY FLOOD CONTRL	7122 SHADY VALE LN	77040	\$99,000
HERRERA PEDRO	7123 SHADY VALE LN	77040	
KRAM L A	7126 SHADY VALE LN	77040	
SKRIVANEK KATHY	7127 SHADY VALE LN	77040	
MORAN TOM	7130 SHADY VALE LN	77040	
STECK LANCE P	7131 SHADY VALE LN	77040	
LOREDO RAUL O &	7134 SHADY VALE LN	77040	
HARRIS COUNTY FLOOD CONTRL	7135 SHADY VALE LN	77040	\$112,000
ALVAREZ BEATRIZ	7138 SHADY VALE LN	77040	
HARRIS COUNTY FLOOD CONTRL	7139 SHADY VALE LN	77040	\$100,542
WOODRUFF EMMITT C	7142 SHADY VALE LN	77040	
SOLORZANO ANA &	7146 SHADY VALE LN	77040	
NGUYEN DUNG K	7151 SHADY VALE LN	77040	
LEACH DWAIN & JUNE	7155 SHADY VALE LN	77040	

HARRIS COUNTY FLOOD CONTRL SEPULVEDA LUIS	7158 SHADY VALE LN 7159 SHADY VALE LN	77040 77040	\$91,536
HARRIS COUNTY FLOOD CONTRL GUTIERREZ FRANCISCO	7163 SHADY VALE LN 7166 SHADY VALE LN	77040 77040	\$99,000
HARRIS COUNTY FLOOD CONTRL	7167 SHADY VALE LN	77040	\$91,000
HARRIS COUNTY FLOOD CONTRL THOMAS DONOVAN L & ROXANNA	7170 SHADY VALE LN 7171 SHADY VALE LN	77040 77040	\$97,000
HARRIS COUNTY FLOOD CONTRL	7175 SHADY VALE LN	77040	
HARRIS COUNTY FLOOD CONTRL MANI JOSE M	7178 SHADY VALE LN 7179 SHADY VALE LN	77040 77040	\$101,000
GORDON SCOTT D & DEBRA J	7302 SHADY VALE LN	77040	
HUERTA JULIETA & OISHI TAKESHI	7303 SHADY VALE LN 7306 SHADY VALE LN	77040 77040	
FED NATL MTG ASSN	7307 SHADY VALE LN	77040	
MORIN MARIA	7310 SHADY VALE LN	77040	
SHARON ROSE OF	7311 SHADY VALE LN	77040	
HARRIS COUNTY FLOOD CONTRL	7314 SHADY VALE LN	77040	\$101,000
HARRIS COUNTY FLOOD CONTRL	7315 SHADY VALE LN	77040	\$121,000
MCSHON JOHN LARRY	7318 SHADY VALE LN	77040	
HARRIS COUNTY FLOOD CONTRL	7319 SHADY VALE LN	77040	\$113,000
FLORES JOSE H & EVA M	7322 SHADY VALE LN	77040	
HARRIS COUNTY FLOOD CONTRL	7323 SHADY VALE LN	77040	\$112,000
HENDRIX JOHN A & TERESA Y	7326 SHADY VALE LN	77040	
RESULTS PROPERTIES LTD	7327 SHADY VALE LN	77040	
ESCALANTE RODOLFO & EMILIA	7402 SHADY VALE LN	77040	
JUAREZ JESUS	7403 SHADY VALE LN	77040	
TINGLER CANDY	7406 SHADY VALE LN	77040	
JUREN PAUL A & DEBORAHA	7407 SHADY VALE LN	77040	
HARRIS COUNTY FLOOD CONTRL	7410 SHADY VALE LN	77040	\$102,500
PUENTE MARIA Y	7411 SHADY VALE LN	77040	
REYNOLDS ALBERT L	8802 STORM WOOD ST	77040	
SEGARRA SARIS E	8803 STORM WOOD ST	77040	
MCFALLS STANTON S & PRIMA	8806 STORM WOOD ST	77040	
BRUCIA J J	8807 STORM WOOD ST	77040	
FRIAS M A	8810 STORM WOOD ST	77040	
BELALCAZAR SANDRA	8811 STORM WOOD ST	77040	
WALPOLE MELISSA M	8814 STORM WOOD ST	77040	
ALDY STEPHANIE &	8815 STORM WOOD ST	77040	
FORE WAYNE R & CLARICE	8818 STORM WOOD ST	77040	
CRUZ LEONARD H	8819 STORM WOOD ST	77040	
HARRIS COUNTY FLOOD CONTRL	8822 STORM WOOD ST	77040	\$119,500
MARTINEZ GILBERT & MERCEDES	8826 STORM WOOD ST	77040	
REED AMY D	8830 STORM WOOD ST	77040	
MALONE JOE H	8834 STORM WOOD ST	77040	
PHILLIPS PAMELA J	8835 STORM WOOD ST	77040	
HARRIS COUNTY FLOOD CONTRL	8838 STORM WOOD ST	77040	\$119,000
HARRIS COUNTY FLOOD CONTRL	8839 STORM WOOD ST	77040	\$111,500
HUBBARD ROBERT M	9102 VINETREE LN	77040	
KERR CHARLOTTE SUSAN	9106 VINETREE LN	77040	
HARRIS COUNTY FLOOD CONTRL	9107 VINETREE LN	77040	\$115,000
MALEK ELIZABETH	9110 VINETREE LN	77040	
AMAYA ROSIBEL & JULIO	9111 VINETREE LN	77040	
WINTER ANDREA R	9114 VINETREE LN	77040	
HARRIS COUNTY FLOOD CONTRL	9115 VINETREE LN	77040	\$107,000
HOLLINGSWORTH HAROLD &	9118 VINETREE LN	77040	
VILLARIEL JORGE	9119 VINETREE LN	77040	
SANCHEZ GUADALUPE & GLORIA	9122 VINETREE LN	77040	

HARRIS COUNTY FLOOD CONTRL	9123 VINETREE LN	77040	\$128,000
MEZA FRANCISCO J & WINDE L	9126 VINETREE LN	77040	
HOUSTON CHRISTIAN UNITED	9127 VINETREE LN	77040	
CHACON JUAN J & ESPERANZA	9130 VINETREE LN	77040	
HARRIS COUNTY FLOOD CONTRL	9131 VINETREE LN	77040	\$97,795
GELDER GLENN	9134 VINETREE LN	77040	
SALMERON ROBERTO &	9135 VINETREE LN	77040	
OWENS DAVID J	9138 VINETREE LN	77040	
HERNANDEZ EUNICE & EUNICE	9139 VINETREE LN	77040	
RUNNELS MARY MAUMEE	9142 VINETREE LN	77040	
LACY LEROY JR	9143 VINETREE LN	77040	
PRYMMER KATHRYN R	9202 VINETREE LN	77040	
HARRIS COUNTY FLOOD CONTRL	9203 VINETREE LN	77040	\$105,000
GERARDO JOSE L & LAURA	9206 VINETREE LN	77040	
HARRIS COUNTY FLOOD CONTRL	9207 VINETREE LN	77040	\$90,691
GARCIA RAMON VILLEGAS	9210 VINETREE LN	77040	
HARRIS COUNTY FLOOD CONTRL	9211 VINETREE LN	77040	\$93,000
HARRIS COUNTY FLOOD CONTRL	9215 VINETREE LN	77040	\$100,000
HARRIS COUNTY FLOOD CONTRL	7103 WIND BROOK ST	77040	\$127,000
HARRIS COUNTY FLOOD CONTRL	7107 WIND BROOK ST	77040	\$133,500
HARRIS COUNTY FLOOD CONTRL	7111 WIND BROOK ST	77040	\$80,230
HARRIS COUNTY FLOOD CONTRL	7115 WIND BROOK ST	77040	\$96,129
HARRIS COUNTY FLOOD CONTRL	7118 WIND BROOK ST	77040	\$96,264
HARRIS COUNTY FLOOD CONTRL	7119 WIND BROOK ST	77040	\$97,453
HARRIS COUNTY FLOOD CONTRL	7122 WIND BROOK ST	77040	\$86,886
HARRIS COUNTY FLOOD CONTRL	7123 WIND BROOK ST	77040	\$118,372
FRYE DEBRA K	7202 WIND DALE ST	77040	
HARRIS COUNTY FLOOD CONTRL	7203 WIND DALE ST	77040	\$116,105
CANTU NANCY Y	7206 WIND DALE ST	77040	
MATTA JOSEPH & KARIN	7207 WIND DALE ST	77040	
LOPEZ JOSE G &	7210 WIND DALE ST	77040	
HARRIS COUNTY FLOOD CONTRL	7203 WIND ROCK CT	77040	\$124,000
HARRIS COUNTY FLOOD CONTRL	7206 WIND ROCK CT	77040	\$109,500
HARRIS COUNTY FLOOD CONTRL	7207 WIND ROCK CT	77040	\$102,500
HARRIS COUNTY FLOOD CONTRL	7210 WIND ROCK CT	77040	\$118,000
HARRIS COUNTY FLOOD CONTRL	7211 WIND ROCK CT	77040	\$124,500
HARRIS COUNTY FLOOD CONTRL	8702 WIND ROCK ST	77040	\$128,500
HARRIS COUNTY FLOOD CONTRL	8703 WIND ROCK ST	77040	\$98,296
HARRIS COUNTY FLOOD CONTRL	8706 WIND ROCK ST	77040	\$111,500
HARRIS COUNTY FLOOD CONTRL	8707 WIND ROCK ST	77040	\$114,900
HARRIS COUNTY FLOOD CONTRL	8710 WIND ROCK ST	77040	\$111,250
HARRIS COUNTY FLOOD CONTRL	8711 WIND ROCK ST	77040	\$122,000
HARRIS COUNTY FLOOD CONTRL	8714 WIND ROCK ST	77040	\$117,000
HARRIS COUNTY FLOOD CONTRL	8715 WIND ROCK ST	77040	\$112,000
HARRIS COUNTY FLOOD CONTRL	8718 WIND ROCK ST	77040	\$119,000
HARRIS COUNTY FLOOD CONTRL	8719 WIND ROCK ST	77040	\$85,401
HARRIS COUNTY FLOOD CONTRL	8803 WIND ROCK ST	77040	\$93,543
HARRIS COUNTY FLOOD CONTRL	8807 WIND ROCK ST	77040	\$126,291
HARRIS COUNTY FLOOD CONTRL	8811 WIND ROCK ST	77040	\$95,000
HARRIS COUNTY FLOOD CONTRL	8815 WIND ROCK ST	77040	\$106,500
FERNANDEZ ROBIN F & TRAVIS	8930 WIND SIDE DR	77040	
ONEAL ALVIN A & JANICE M	8931 WIND SIDE DR	77040	
GONCALVES EDELBERTO	8934 WIND SIDE DR	77040	
ROY RUSSELL L	8935 WIND SIDE DR	77040	
HARRIS COUNTY FLOOD CONTRL	8938 WIND SIDE DR	77040	\$129,377
WALKER RICHARD MARTIN	8939 WIND SIDE DR	77040	
HARRIS COUNTY FLOOD CONTRL	8711 WIND STREAM DR	77040	\$114,344

HARRIS COUNTY FLOOD CONTRL	8714 WIND STREAM DR	77040	\$109,474
HARRIS COUNTY FLOOD CONTRL	8715 WIND STREAM DR	77040	\$94,000
HARRIS COUNTY FLOOD CONTRL	8719 WIND STREAM DR	77040	\$108,500
HARRIS COUNTY FLOOD CONTRL	8722 WIND STREAM DR	77040	\$119,645
HARRIS COUNTY FLOOD CONTRL	8723 WIND STREAM DR	77040	\$120,000
HARRIS COUNTY FLOOD CONTRL	8727 WIND STREAM DR	77040	\$82,500
HARRIS COUNTY FLOOD CONTRL	8730 WIND STREAM DR	77040	\$87,626
HARRIS COUNTY FLOOD CONTRL	8731 WIND STREAM DR	77040	
HARRIS COUNTY FLOOD CONTRL	8734 WIND STREAM DR	77040	\$108,000
HARRIS COUNTY FLOOD CONTRL	8735 WIND STREAM DR	77040	\$100,000
HARRIS COUNTY FLOOD CONTRL	8738 WIND STREAM DR	77040	\$96,937
HARRIS COUNTY FLOOD CONTRL	8739 WIND STREAM DR	77040	\$97,630
HARRIS COUNTY FLOOD CONTRL	8742 WIND STREAM DR	77040	\$98,865
HARRIS COUNTY FLOOD CONTRL	8743 WIND STREAM DR	77040	\$84,355
HARRIS COUNTY FLOOD CONTRL	8746 WIND STREAM DR	77040	\$70,795
HARRIS COUNTY FLOOD CONTRL	8747 WIND STREAM DR	77040	\$100,066
HARRIS COUNTY FLOOD CONTRL	8750 WIND STREAM DR	77040	\$109,006
HARRIS COUNTY FLOOD CONTRL	8751 WIND STREAM DR	77040	\$82,749
HARRIS COUNTY FLOOD CONTRL	8803 WIND STREAM DR	77040	\$85,535
HARRIS COUNTY FLOOD CONTRL	8807 WIND STREAM DR	77040	\$99,250
HARRIS COUNTY FLOOD CONTRL	8810 WIND STREAM DR	77040	\$122,994
HARRIS COUNTY FLOOD CONTRL	8811 WIND STREAM DR	77040	\$105,500
PLADSRI C	8814 WIND STREAM DR	77040	
HARRIS COUNTY FLOOD CONTRL	8815 WIND STREAM DR	77040	\$122,288
HARRIS COUNTY FLOOD CONTRL	8819 WIND STREAM DR	77040	\$100,500
MONTALVA CATALINA	8823 WIND STREAM DR	77040	
HARRIS COUNTY FLOOD CONTRL	8827 WIND STREAM DR	77040	\$88,500
HARRIS COUNTY FLOOD CONTRL	8903 WIND STREAM DR	77040	\$98,000
HARRIS COUNTY FLOOD CONTRL	8907 WIND STREAM DR	77040	\$64,831
HARRIS COUNTY FLOOD CONTRL	8911 WIND STREAM DR	77040	\$61,899
HOLLIS ROBERT	8915 WIND STREAM DR	77040	
HARRIS COUNTY FLOOD CONTRL	8919 WIND STREAM DR	77040	\$90,000
HARRIS COUNTY FLOOD CONTRL	8923 WIND STREAM DR	77040	\$86,026
HARRIS COUNTY FLOOD CONTRL	8927 WIND STREAM DR	77040	\$96,439
HARRIS COUNTY FLOOD CONTRL	8931 WIND STREAM DR	77040	\$120,000
HARRIS COUNTY FLOOD CONTRL	8935 WIND STREAM DR	77040	\$96,000
HARRIS COUNTY FLOOD CONTRL	7203 WIND TRAIL ST	77040	\$105,804
HARRIS COUNTY FLOOD CONTRL	7206 WIND TRAIL ST	77040	\$111,598
HARRIS COUNTY FLOOD CONTRL	7207 WIND TRAIL ST	77040	\$92,140
HARRIS COUNTY FLOOD CONTRL	7210 WIND TRAIL ST	77040	\$107,250
HARRIS COUNTY FLOOD CONTRL	7211 WIND TRAIL ST	77040	\$112,000
HARRIS COUNTY FLOOD CONTRL	7203 WIND TRAIL ST	77040	
HARRIS COUNTY FLOOD CONTRL	7206 WIND TRAIL ST	77040	
HARRIS COUNTY FLOOD CONTRL	7207 WIND TRAIL ST	77040	
HARRIS COUNTY FLOOD CONTRL	7210 WIND TRAIL ST	77040	
HARRIS COUNTY FLOOD CONTRL	7211 WIND TRAIL ST	77040	
ROMERO ANTONIA	7214 WIND TRAIL ST	77040	
JONES DOUGLAS S	7218 WIND TRAIL ST	77040	
LONKOUSKI SHIRLEY	7219 WIND TRAIL ST	77040	
BRANNON DAVID E & KAREN	7222 WIND TRAIL ST	77040	
CHAU TERRY	7223 WIND TRAIL ST	77040	
MANN A S	7226 WIND TRAIL ST	77040	
ROBERTSON JAMES F	7227 WIND TRAIL ST	77040	
HARRISON STEPHEN &	7402 WINDFERN RD	77040	
PENDING	7418 WINDFERN RD	77040	
HARRIS COUNTY FLOOD CONTRL	7422 WINDFERN RD	77040	\$162,192
GARZA DANIEL J	7430 WINDFERN RD	77040	

MAHAFFEY DAVID M & BARBARA G	7438 WINDFERN RD	77040	
SVADLENAK LEATHA E	7502 WINDFERN RD	77040	
CARR L L	7003 WOOD BLUFF BLVD	77040	
GARCIA JOSE L & MARIA D	7007 WOOD BLUFF BLVD	77040	
SOTO JOSE	7011 WOOD BLUFF BLVD	77040	
VAN PELT WILLIAM T JR &	7014 WOOD BLUFF BLVD	77040	
GARCIA I J	7015 WOOD BLUFF BLVD	77040	
HARRIS COUNTY FLOOD CONTRL	7018 WOOD BLUFF BLVD	77040	\$110,000
HARRIS COUNTY FLOOD CONTRL	7019 WOOD BLUFF BLVD	77040	\$109,000
HARPER TERRY C &	7022 WOOD BLUFF BLVD	77040	
HARRIS COUNTY FLOOD CONTRL	7023 WOOD BLUFF BLVD	77040	\$99,649
ALFORD ALICE	7026 WOOD BLUFF BLVD	77040	
CHRISTIAN STEVEN L	7027 WOOD BLUFF BLVD	77040	
MOYA JAVIER G	7030 WOOD BLUFF BLVD	77040	
FREY FRANK P & BARBARA J	7031 WOOD BLUFF BLVD	77040	
MASSEY STEPHEN C & SUSAN D	7034 WOOD BLUFF BLVD	77040	
MONTGOMERY CHERILYN J	7035 WOOD BLUFF BLVD	77040	
CARDONA GREGORIO	7038 WOOD BLUFF BLVD	77040	
HUFFMAN DENNIS	7039 WOOD BLUFF BLVD	77040	
SILGUERO OSCAD PAUL & E	7042 WOOD BLUFF BLVD	77040	
HARRIS COUNTY FLOOD CONTRL	7043 WOOD BLUFF BLVD	77040	\$102,000
MARTINEZ VICTOR D & ROSA	7046 WOOD BLUFF BLVD	77040	
HARRIS COUNTY FLOOD CONTRL	7047 WOOD BLUFF BLVD	77040	\$88,287
ANDREWS STEVEN E & LAURA J	7050 WOOD BLUFF BLVD	77040	
SINGH GURCHARAN &	7051 WOOD BLUFF BLVD	77040	
HARRIS COUNTY FLOOD CONTROL	7054 WOOD BLUFF BLVD	77040	\$104,000
TROJAN H J	7055 WOOD BLUFF BLVD	77040	
WOLVERTON W R	7058 WOOD BLUFF BLVD	77040	
GUERRA R E	7062 WOOD BLUFF BLVD	77040	
HARRIS COUNTY FLOOD CONTRL	7102 WOOD BLUFF BLVD	77040	\$101,296
HARRIS COUNTY FLOOD CONTRL	7103 WOOD BLUFF BLVD	77040	\$110,000
PALACIOS CARLOS A & YESENIA S	7106 WOOD BLUFF BLVD	77040	
HARRIS COUNTY FLOOD CONTRL	7107 WOOD BLUFF BLVD	77040	\$106,000
PERRY MIGNONNE &	7110 WOOD BLUFF BLVD	77040	
O'KEEFE ADELBERT I &	7111 WOOD BLUFF BLVD	77040	
FORSON SALLY MARIE	7114 WOOD BLUFF BLVD	77040	
RUVALCABA MARIO &	7115 WOOD BLUFF BLVD	77040	
GRIFFITH J M	7119 WOOD BLUFF BLVD	77040	
KEY MAX E	7203 WOOD BLUFF BLVD	77040	
HARRIS COUNTY FLOOD CONTRL	7206 WOOD BLUFF BLVD	77040	\$100,070
HARRIS COUNTY FLOOD CONTRL	7207 WOOD BLUFF BLVD	77040	\$112,500
HARRIS COUNTY FLOOD CONTRL	7210 WOOD BLUFF BLVD	77040	\$124,000
HARRIS COUNTY FLOOD CONTRL	7211 WOOD BLUFF BLVD	77040	\$117,000
TREVINO DAVID & DEABORAH	7214 WOOD BLUFF BLVD	77040	
HARRIS COUNTY FLOOD CONTRL	7215 WOOD BLUFF BLVD	77040	\$113,000
HARRIS COUNTY FLOOD CONTRL	7218 WOOD BLUFF BLVD	77040	\$112,500
HARRIS COUNTY FLOOD CONTRL	7219 WOOD BLUFF BLVD	77040	\$106,000
HARRIS COUNTY FLOOD CONTRL	7222 WOOD BLUFF BLVD	77040	\$111,000
HARRIS COUNTY FLOOD CONTRL	7223 WOOD BLUFF BLVD	77040	\$101,517
AHLHORN CLIFFORD R	7302 WOOD BLUFF BLVD	77040	
GALVAN ANA	7303 WOOD BLUFF BLVD	77040	
HARRIS COUNTY FLOOD CONTRL	7306 WOOD BLUFF BLVD	77040	\$100,000
HARRIS COUNTY FLOOD CONTRL	7307 WOOD BLUFF BLVD	77040	\$92,420
BORCHERS BARBARA	7310 WOOD BLUFF BLVD	77040	
HARRIS COUNTY FLOOD CONTRL	7311 WOOD BLUFF BLVD	77040	\$101,000
MCKENZIE LEONA	7314 WOOD BLUFF BLVD	77040	
HARRIS COUNTY FLOOD CONTRL	7315 WOOD BLUFF BLVD	77040	\$120,000

BARLEY ARNOLD H	7318 WOOD BLUFF BLVD	77040	
HARRIS COUNTY FLOOD CONTRL	7319 WOOD BLUFF BLVD	77040	\$119,000
MADDOX ROSEMARY V & TINA	7322 WOOD BLUFF BLVD	77040	
TOBIAS ADOLFO E	7323 WOOD BLUFF BLVD	77040	
JUAREZ SERGIO	7326 WOOD BLUFF BLVD	77040	
LANSFORD BRANDON	7327 WOOD BLUFF BLVD	77040	
MARTINEZ JOSE T & DIANEY C	7330 WOOD BLUFF BLVD	77040	
LOONEY WAYNE	7331 WOOD BLUFF BLVD	77040	
HARRIS COUNTY FLOOD CONTRL	8002 WOOD CANYON DR	77040	\$96,500
LITTLE GREGORY A & DEBORAH	8003 WOOD CANYON DR	77040	
MILLER TIMOTHY & TRACY	8006 WOOD CANYON DR	77040	
DIAZ ALEJANDRO	8007 WOOD CANYON DR	77040	
GLEASON M W	8011 WOOD CANYON DR	77040	
CALDERON VINCENTE JR	8014 WOOD CANYON DR	77040	
MORALES DANIEL	8015 WOOD CANYON DR	77040	
RAMOS DORA E	8018 WOOD CANYON DR	77040	
GARZA CESAR G	8019 WOOD CANYON DR	77040	
ULMA JAN	8023 WOOD CANYON DR	77040	
HARRIS COUNTY FLOOD CONTRL	8102 WOOD CANYON DR	77040	\$100,000
RAMIREZ JOSE F	8103 WOOD CANYON DR	77040	
HARRIS COUNTY FLOOD CONTRL	8106 WOOD CANYON DR	77040	\$106,000
HARRIS COUNTY FLOOD CONTRL	8107 WOOD CANYON DR	77040	\$122,000
RODRIGUEZ RAQUEL	8110 WOOD CANYON DR	77040	
HARRIS COUNTY FLOOD CONTRL	8111 WOOD CANYON DR	77040	\$116,000
HARRIS COUNTY FLOOD CONTRL	8114 WOOD CANYON DR	77040	\$106,000
HARRIS COUNTY FLOOD CONTRL	8115 WOOD CANYON DR	77040	\$96,566
LATHAM W D	8119 WOOD CANYON DR	77040	
FERGUSON LOUIS PAUL JR	8102 WOOD DOWNE LN	77040	
HARRIS COUNTY FLOOD CONTRL	8103 WOOD DOWNE LN	77040	\$110,000
HERNANDEZ DAVID T & LERA	8106 WOOD DOWNE LN	77040	
TUMIS F	8107 WOOD DOWNE LN	77040	
BRYAN OLAN M JR	8110 WOOD DOWNE LN	77040	
BONILLA DELGADINA &	8111 WOOD DOWNE LN	77040	
SCHULZE HARLIE H &	8114 WOOD DOWNE LN	77040	
KROLCZYK LILLIAN M	8115 WOOD DOWNE LN	77040	
HARRIS COUNTY FLOOD CONTRL	8118 WOOD DOWNE LN	77040	\$100,500
REYNA LUIS M	8119 WOOD DOWNE LN	77040	
GUERRERO RUDY A	8202 WOOD DOWNE LN	77040	
HARRIS COUNTY FLOOD CONTRL	8206 WOOD DOWNE LN	77040	\$104,000
CRUZ MANUEL A	8210 WOOD DOWNE LN	77040	
HARRIS COUNTY FLOOD CONTRL	8214 WOOD DOWNE LN	77040	\$104,000
HARRIS COUNTY FLOOD CONTRL	8102 WOOD GROVE CT	77040	\$104,000
HARRIS COUNTY FLOOD CONTRL	8103 WOOD GROVE CT	77040	\$104,500
TOLSON ZACHARY W	8106 WOOD GROVE CT	77040	
TREVINO MARGARET &	8107 WOOD GROVE CT	77040	
LOPEZ SERGIO & ELIZABETH	8110 WOOD GROVE CT	77040	
GIRON MARIA E	8111 WOOD GROVE CT	77040	
MARTINEZ MARIA A	8115 WOOD GROVE CT	77040	
HARRIS COUNTY FLOOD CONTRL	7103 WOOD HEATHER	77040	\$104,000
MIDKIFF ROBT L	7107 WOOD HEATHER	77040	
HARRIS COUNTY FLOOD CONTRL	7111 WOOD HEATHER	77040	\$92,991
HARRIS COUNTY FLOOD CONTRL	7115 WOOD HEATHER	77040	\$98,000
LYLES LAWRENCE & WANDA	7118 WOOD HEATHER	77040	
HARRIS COUNTY FLOOD CONTRL	7119 WOOD HEATHER	77040	\$103,000
HENRIQUEZ JUAN A &	7122 WOOD HEATHER	77040	
HARRIS COUNTY FLOOD CONTRL	7123 WOOD HEATHER	77040	\$91,018
REYES JORGE & MATILDA	7126 WOOD HEATHER	77040	

SKYLANE HOUSTON LTD	7127 WOOD HEATHER	77040	
HIGGINS RORY	7131 WOOD HEATHER	77040	
HARRIS COUNTY FLOOD CONTRL	7134 WOOD HEATHER	77040	\$95,658
NEWSOME JAMES STERLYN	7135 WOOD HEATHER	77040	
BENSON SR EUGENE T	7139 WOOD HEATHER	77040	
HARRIS COUNTY FLOOD CONTRL	7142 WOOD HEATHER	77040	\$69,730
RODGERS MICHAEL L	7143 WOOD HEATHER	77040	
HARRIS COUNTY FLOOD CONTRL	7146 WOOD HEATHER	77040	\$120,000
HARRIS COUNTY FLOOD CONTRL	7147 WOOD HEATHER	77040	\$102,168
CRAWFORD JAMES	7306 WOODOAK DR	77040	
WICK KENNETH FRANK & SUSAN	7307 WOODOAK DR	77040	
HARRIS COUNTY FLOOD CONTRL	7310 WOODOAK DR	77040	\$104,000
ALLMAN EARL DOUGLAS & TR	7311 WOODOAK DR	77040	
HERRERA NADINE	7314 WOODOAK DR	77040	
SMITH CARRIE A	7315 WOODOAK DR	77040	
HARRIS COUNTY FLOOD CONTRL	7318 WOODOAK DR	77040	\$107,000
ALLMAN EARL DOUGLAS & TR	7319 WOODOAK DR	77040	
MASON RICHARD	7322 WOODOAK DR	77040	
ALLMAN EARL DOUGLAS & TR	7323 WOODOAK DR	77040	
HARRIS COUNTY FLOOD CONTRL	7326 WOODOAK DR	77040	\$103,000
HARRIS COUNTY FLOOD CONTRL	7327 WOODOAK DR	77040	\$102,000
HARRIS COUNTY FLOOD CONTRL	7330 WOODOAK DR	77040	\$103,000
MARTELL CARLOS G &	7331 WOODOAK DR	77040	
HARRIS COUNTY FLOOD CONTRL	7334 WOODOAK DR	77040	\$105,000
BARTON KIMBERLY J	7338 WOODOAK DR	77040	
CLARK ANNE H	7342 WOODOAK DR	77040	
HARRIS COUNTY FLOOD CONTRL	7346 WOODOAK DR	77040	\$104,000
HARRIS COUNTY FLOOD CONTRL	7350 WOODOAK DR	77040	\$95,500
HARRIS COUNTY FLOOD CONTRL	7351 WOODOAK DR	77040	\$87,731
MATTHEWS G ALLEN & SONDR	7354 WOODOAK DR	77040	
PALACIOS JUAN C JRQ	7355 WOODOAK DR	77040	
FIGUEROA MICHAEL & YVONNE	7358 WOODOAK DR	77040	
LOPEZ CLAUDIA M	7359 WOODOAK DR	77040	
FRANCO CARLOS & ANNA	7362 WOODOAK DR	77040	
MORENO LILIA	7102 WOOD ORCHARD	77040	
HARRIS COUNTY FLOOD CONTRL	7103 WOOD ORCHARD	77040	\$102,768
KING R H	7106 WOOD ORCHARD	77040	
GARCIA JOHN T	7107 WOOD ORCHARD	77040	
TIJERINA ISIAS R & LUCY	7110 WOOD ORCHARD	77040	
HARRIS COUNTY FLOOD CONTRL	7111 WOOD ORCHARD	77040	\$98,000
GALVAN EUGENIO	7114 WOOD ORCHARD	77040	
MIKULAS SHANNON L	7115 WOOD ORCHARD	77040	
MCVICKER RUTH ELAINE	7118 WOOD ORCHARD	77040	
HARRIS COUNTY FLOOD CONTRL	7119 WOOD ORCHARD	77040	\$100,000
HARRIS COUNTY FLOOD CONTRL	7123 WOOD ORCHARD	77040	\$104,000
HARRIS COUNTY FLOOD CONTRL	9102 WOODLAND OAKS	77040	\$110,000
GONZALES ALONZO	9103 WOODLAND OAKS	77040	
LOCASCIO NORMAN & MARTHA	9106 WOODLAND OAKS	77040	
NUNEZ CRISIAN EDUARDO	9107 WOODLAND OAKS	77040	
PENA EDGAR & LORENA	9110 WOODLAND OAKS	77040	
BORDOVSKY STANLEY C	9111 WOODLAND OAKS	77040	
HUNTER JOY	9114 WOODLAND OAKS	77040	
MILLER JACK JR	9115 WOODLAND OAKS	77040	
ROWLAND JOHN E SR	9118 WOODLAND OAKS	77040	
SHERWIN JAMES L	9119 WOODLAND OAKS	77040	
HARRIS COUNTY FLOOD CONTRL	7002 WOODLAND WEST	77040	\$121,000
HARRIS COUNTY FLOOD CONTRL	7006 WOODLAND WEST	77040	\$73,762

SERRANO DELIA& CHRISTOPHER	7010 WOODLAND WEST	77040	
HARRIS COUNTY FLOOD CONTRL	7014 WOODLAND WEST	77040	\$94,720
HERNANDEZ MANUEL	7018 WOODLAND WEST	77040	
HARRIS COUNTY FLOOD CONTRL	7022 WOODLAND WEST	77040	\$101,196
HARRIS COUNTY FLOOD CONTRL	7023 WOODLAND WEST	77040	\$98,011
MARTINEZ OSCAR L	7026 WOODLAND WEST	77040	
HARRIS COUNTY FLOOD CONTRL	7027 WOODLAND WEST	77040	\$102,000
CAMPOS JUAN C	7030 WOODLAND WEST	77040	
ALVAREZ GABRIEL R &	7031 WOODLAND WEST	77040	
HARRIS COUNTY FLOOD CONTRL	7034 WOODLAND WEST	77040	\$94,306
SCHAD R J	7035 WOODLAND WEST	77040	
HARRIS COUNTY FLOOD CONTRL	7038 WOODLAND WEST	77040	\$64,580
HARRIS COUNTY FLOOD CONTRL	7039 WOODLAND WEST	77040	\$79,916
HARRIS COUNTY FLOOD CONTRL	7054 WOODLAND WEST	77040	\$114,000
HARRIS COUNTY FLOOD CONTRL	7058 WOODLAND WEST	77040	\$72,609
DILLON JACKIE & LILLIAN	7102 WOODLAND WEST	77040	
LOYOLA GERARDO L	7106 WOODLAND WEST	77040	
BARTON RICK E	7107 WOODLAND WEST	77040	
GALDAMEZ ELIAS E	7110 WOODLAND WEST	77040	
FRAIRE MANUEL D & MARIBEL	7114 WOODLAND WEST	77040	
REYES LUIS E & ROSA E	7118 WOODLAND WEST	77040	
LOPEZ MARTIN & SANDRA	7122 WOODLAND WEST	77040	
HARRIS COUNTY FLOOD CONTRL	7126 WOODLAND WEST	77040	\$88,199
HARRIS COUNTY FLOOD CONTRL	7130 WOODLAND WEST	77040	\$93,560
RODRIGUEZ JOE E SR	7134 WOODLAND WEST	77040	
HARRIS COUNTY FLOOD CONTRL	7138 WOODLAND WEST	77040	\$95,000
ARNDT EDWIN WILLIAM	7142 WOODLAND WEST	77040	
JOHNSON ROBERTA K	7146 WOODLAND WEST	77040	
HARRIS COUNTY FLOOD CONTRL	7150 WOODLAND WEST	77040	\$100,000
ASTON R W	7154 WOODLAND WEST	77040	
ORTEGA RICARDO	7158 WOODLAND WEST	77040	
PARADISSIS BETTY	7159 WOODLAND WEST	77040	
HARRIS COUNTY FLOOD CONTRL	7162 WOODLAND WEST	77040	\$100,000
CHAFFIN MARK D & REBECCA M	7163 WOODLAND WEST	77040	
HARRIS COUNTY FLOOD CONTRL	7166 WOODLAND WEST	77040	\$115,000
TRAN PHUNG V	7167 WOODLAND WEST	77040	
WOODLAND TRAILS WEST CIA	7171 WOODLAND WEST	77040	
WOODLAND TRAILS WEST CIA	7171 WOODLAND WEST	77040	
HARRIS COUNTY FLOOD CONTRL	7215 WOODLAND WEST	77040	\$112,000
HARRIS COUNTY FLOOD CONTRL	7218 WOODLAND WEST	77040	\$96,585
GARCIA ROBERT D	7219 WOODLAND WEST	77040	
HARRIS COUNTY FLOOD CONTRL	7222 WOODLAND WEST	77040	\$103,000
SINGER HOWARD	7223 WOODLAND WEST	77040	
HANEY J B	7226 WOODLAND WEST	77040	
CHAIX JEAN EMILE &	7227 WOODLAND WEST	77040	
HARRIS COUNTY FLOOD CONTRL	7231 WOODLAND WEST	77040	\$105,000
BLACKWELL JEFFREY W &	7302 WOODLAND WEST	77040	
REYES MARK A	7303 WOODLAND WEST	77040	
			\$38,146,081
77064			
PENDING	8902 TAUB RD	77064	
TANG MARY	9017 TAUB RD A	77064	
HARRIS COUNTY FLOOD CONTRL	9023 TAUB RD	77064	\$140,000

Total 77040 and 77064	\$38,286,081
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EXHIBIT "H"

**MR. GEORGE NELSON'S
LETTER**

Mr. George T. Nelson
8410 Holmwood
Houston, Texas 77040

My name is George T. Nelson and I am a Mechanical Engineer with over twenty-two years of experience in research and development, with a background in education, construction and environmental safety, and am also a resident of Courtyard Glen Subdivision.

I am writing in regard to the Rolling Creek Apartments, a project proposed to be located east of Fairbanks North Houston, North of Sumertree, with a proposed entry on Gatehouse Drive (a street in Courtyard Glen).

When I first read about this project, I took an objective view looking at the long and short term effects that could come from building this type of complex (multi family – controlled rents) in this area. Asking myself what impact would this have on the community?

I have lived in this community for several years and have walked the site of the proposed Rolling Creek Apartments several times over the years. I have noticed this property is a low lying area that is wet most of the time and the water tends to run off into adjacent properties, namely Courtyard Glen to the south. This proposed site of the apartments also has contamination within its soil, which is evident by an oily substance in and around the area. There are rusting barrels, tires, discarded items and other containers that have been dumped there.

With the recent bulldozing of trees and construction of two new housing projects on the North and East side of the building site, I have watched, for the first time, rain water now runs east away from main drains and Fairbanks Drainage System as opposed to running toward the main drains.

The proposed Rolling Creek Apartment usage of Gatehouse Drive as an entry or access way through Courtyard Glen would be a danger to the children who play in the area, a burden on the community and destructive to the streets.

This area is overwhelmed with traffic, dumps, and lack of adequate infrastructure and parks.

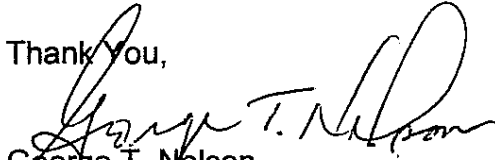
There are no shopping centers, grocery stores, sidewalks, or public transportation in this area. Thus people walking would need to walk on busy, dangerous streets to get to any of the above necessary public facilities.

Page 2

In my professional and personal view, this projected location for the development of Rolling Creek Apartments is not environmentally sound for reasons such as: Loss of green space, lack of infrastructure, destructive to existing habitat, excess traffic & pollution, and potential flooding of existing subdivisions, etc....,

With this outcry, I oppose this project and ask you to vote 'no' on the building of Rolling Creek Apartments.

Thank You,



George T. Nelson

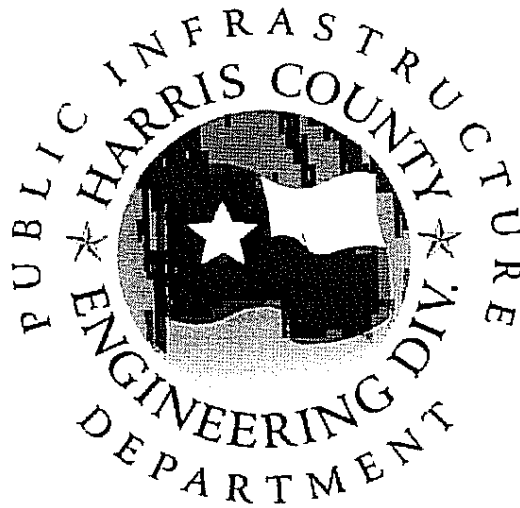
EXHIBIT "I"

**REGULATION OF HARRIS COUNTY, TEXAS
FOR FLOOD PLAIN MANAGEMENT**

REGULATIONS OF HARRIS COUNTY, TEXAS

FOR

FLOOD PLAIN MANAGEMENT



AS

AMENDED 15 JULY 1997
EFFECTIVE 28 AUGUST 1997
AMENDED 7 MARCH 2000

HARRIS COUNTY
PUBLIC INFRASTRUCTURE DEPARTMENT
ENGINEERING DIVISION

PERMIT OFFICE
9900 NORTHWEST FRWY, STE 103
HOUSTON, TEXAS 77092
(713) 956-3000

Exhibit

1. In the absence of evidence to the contrary, the County Engineer shall presume that the property shown in any "X" Zone on the FIRM is above the base flood elevation.
 2. In the "Shaded X" Zone it must be determined that the ground level is above the base flood elevation before a Class "I" Permit may be issued. The County Engineer may rely on data in his possession to make such a determination or require the submittal of topographical information by the applicant.
- (b) Where a conditional letter of map amendment has been obtained from the Federal Emergency Management Agency for property which has been elevated by the use of fill above the elevation of the base flood, the inspections required in Sections 5.02 (a) (1 & 2) must be made. The lowest floor of any structure shall be at least eighteen (18) inches above the base flood elevation.
- (c) The permit must be posted on the jobsite and be visible from the street.

SECTION 4.05 - CONDITIONS OF A CLASS "II" PERMIT

A Class "II" Permit will be issued for any development when the proposed development is to be made on land located in any "A" Zone, below the base flood elevation in any Zone, in a floodway, or in a "V" Zone.

- (a) Notwithstanding anything below to the contrary, no development or other encroachment is allowed in a floodway which will result in any increase in the base flood elevations within the floodway during discharge of water of a base flood.
- (b) The following conditions must be met for new construction or substantial improvement of a structure:
 1. The top of the slab of the lowest habitable floor must be elevated to eighteen (18) or more inches above the base flood elevation or to the level of the crown of the nearest public street, whichever is higher, except in a floodway where the bottom of the lowest supporting member of the structure shall be elevated eighteen (18) or more inches above base flood elevation.

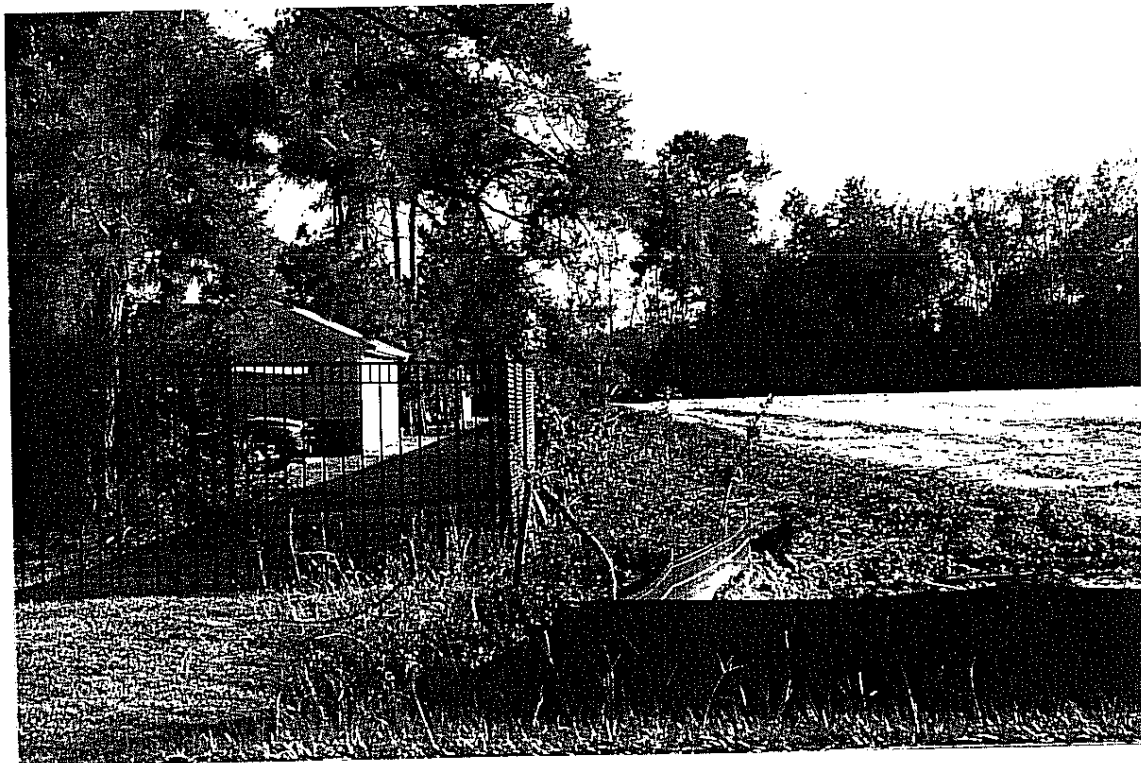
EXHIBIT "J"

**ELEVATION AND FLOODING
PICTURES**

New construction in Harris County is required to be built 18 inches above flood plain.



Location: Philippine and Beltway 8 immediately north of White Oak Bayou.

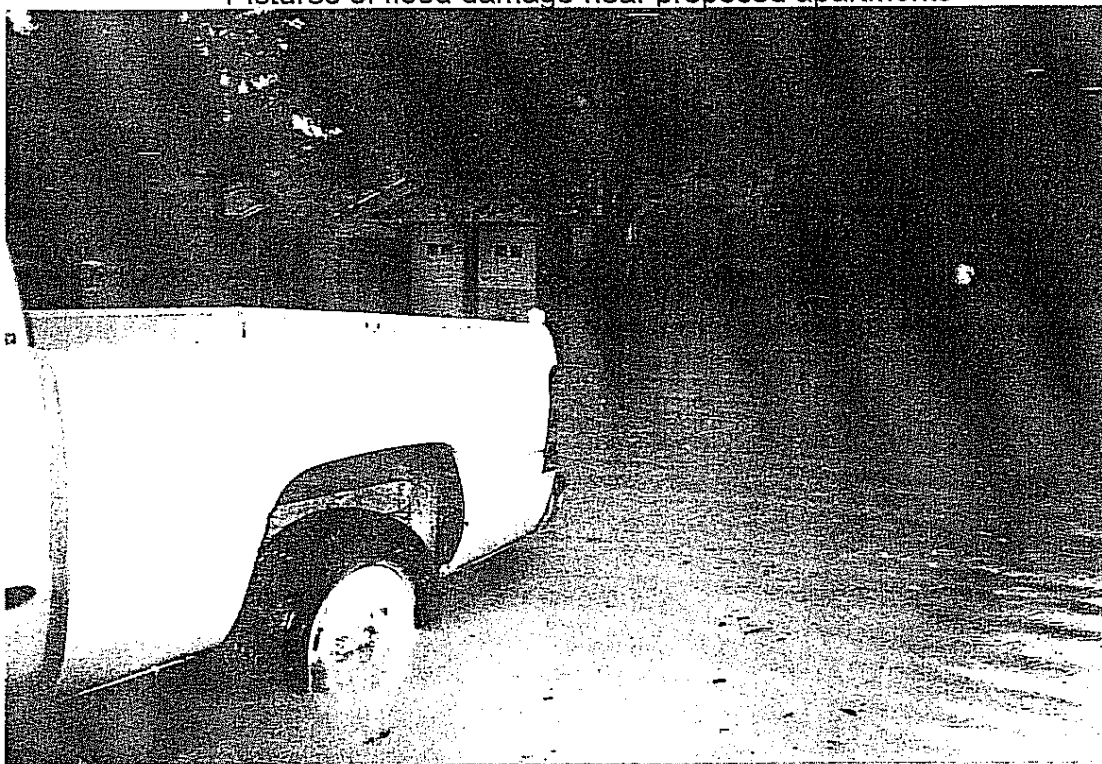


Existing apartments adjacent to new development.
(Note elevation difference)

Pictures of flood damage near proposed apartments



Pictures of flood damage near proposed apartments



Pictures of flood damage near proposed apartments



EXHIBIT "K"

**MRS. SHARRON SPEER'S
LETTER**

October 5, 2005

My name is Sharron Speer. My husband, Allan and I live at 7602 Rolling Fork Lane, Houston, Texas in Burger Estates. Our home was built by my parents in 1963. At that time, Burger Estates was one of the few neighborhoods between the edge of northwest Houston and the Cypress-Fairbanks area. It was a small quiet neighborhood surrounded by many acres of heavily wooded land, bordered by White Oak bayou on the south and Rolling Fork Creek on the east. During the next 30 years, this area of Harris County would literally explode with expansion. Vast acres of beautiful wooded land would be replaced by homes, businesses and roads.

In 1997, Allan and I moved to Burger Estates, into what had been my parents' dream home. It had been built by my parents, grandfathers, and uncles, who were all master craftsmen. Not only was the house sound, but built by men and women whose standards and work ethics were of the highest quality. The house held many wonderful memories for us and our children. So, it was with great joy that we moved into it. The area had grown in an explosion of new neighborhoods. Now more than ever, people are surprised when they come into our small neighborhood of only two streets, which is still quietly tucked away in some of the most beautiful wooded property in Harris County.

Shortly after we moved to Burger Estates in 1997, a new gated community, Oaklake Pointe, was begun on Gessner Road, at the edge of White Oak Bayou. The deeply wooded property, which would be the site for this development, was cleared of virtually every tree. At this same time, excavation was begun on the section of White Oak Bayou between Gessner Road and Windfern Road. This area would become the southern boundary of Oaklake Pointe. A vast amount of land was pushed up from the banks of the bayou, raising the level upon which the homes would be built by more than a dozen feet. Not only did this raise the level of the development, but also made a much wider pathway for the flow of the water that would pass under the bridge at Windfern Road. Once the water passed under the bridge, it would again flow into the original channel, which was MUCH narrower than the newly excavated section.

Realizing what these changes might do to the homes in Burger Estates, we along with other neighbors, contacted the Harris County Flood Control District. I personally spoke to Clay Haynes. He tried to assure me that the excavation of White Oak Bayou and the building of Oaklake Pointe would NOT affect our neighborhood. He also told me that the plans for this had been approved by "very competent engineers", whose job it was to review what impact such a project would have. This did very little to stop our worries, but we felt we had no other options.

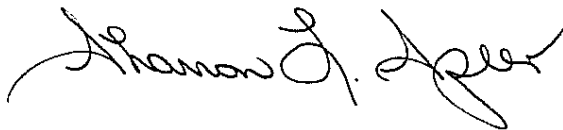
From 1963 until 1995, when my mother passed away, there had only been one time during which Rolling Fork Creek actually flooded its banks and crept into Burger Estates. **This was only after the Harris County Flood Control District had excavated Rolling Fork Creek.**

In 1998 Tropical Depression Francis struck Houston. A significant amount of rainfall fell, but nothing that this area of the Gulf Coast had not experienced before. However, this amount of rainfall was enough to cause severe flooding in Burger Estates. One acre south of our home, our neighbors' homes were flooded with as much as 5 feet of water. Although the water from Rolling Fork Creek, which is at the edge of our property, crept to our back door, we were spared this time. Homes that had been built over 30 years earlier, were now flooded for the first time ever! The homeowners in Burger Estates, many of whom were senior citizens, now had to get flood insurance in addition to their homeowner's insurance. This was an expense they dared not do without. The peace and serenity of our neighborhood would never be the same.

Since this first flooding in 1998, two additional floods have struck Burger Estates. Building continues to encroach on our small neighborhood. New homes, vast apartment complexes and businesses have replaced even more of the trees and land of this area. Tropical Storm Allison in 2001 did flood our home, although much less than our neighbors experienced. When many of them were flooded again in the fall of 2003, it was more than they could endure. Approximately, one fourth of our neighbors gave up their life-long dreams and took buyouts from the Harris County Flood Control District and FEMA. To leave the place that was home for them and their children caused an indescribable sadness. It was also the end to their nightmare that reoccurred every time rain was predicted or thunder was heard.

Was this unprecedented flooding of our neighborhood caused by the continual development and changing of the flow of White Oak Bayou? We are convinced that it was. After the second flood struck Burger Estates, we confronted the Harris County Flood Control District. They still maintained that the development had little to do with the flooding problems that we experienced; that in fact, we should "not have built our homes so close to the bayou". Yet they continue to allow developers to build new neighborhoods and businesses in our same area.

It is pretty simple to us: Organic breathes and drinks in water. Inorganic, especially cement, only holds water until it is displaced somewhere else. Whether this "somewhere" else is into homes is irrelevant to developers and apparently, to the Harris County Flood Control District. **Because Rolling Creek Apartments will exacerbate flooding in our area, my husband and I adamantly request the TDHCA Board to deny the application for their construction.**

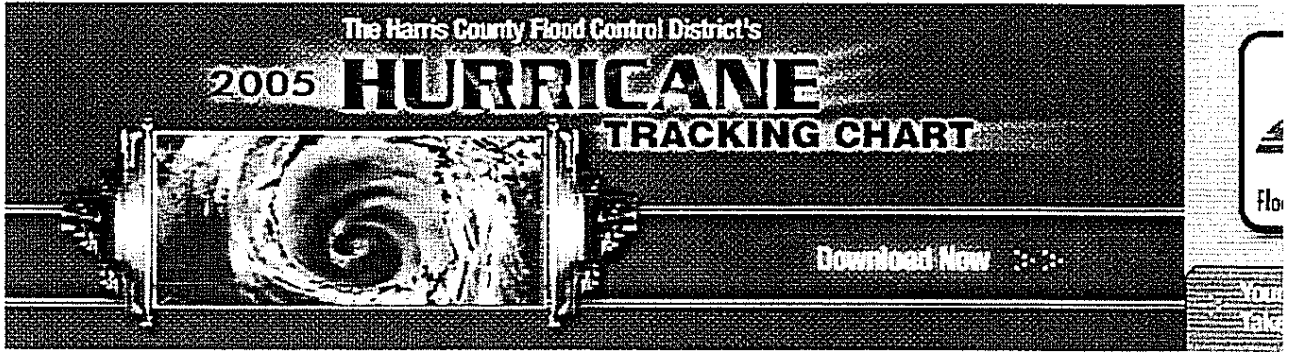


Sharron L. Speer

EXHIBIT "L"

**HARRIS COUNTY FLOOD CONTROL
WEB PAGE
REFERENCING FUTURE PLANS**

- [HCFCF Home](#)
- [About The District](#)
- [Programs & Projects](#)
- [Learning Center](#)
- [Maps & Exhibits](#)
- [FAQs](#)
- [Downloads](#)
- [Links](#)



:- Tropical Weather Center

Tropical Storms and Hurricanes are a significant threat to the Texas Gulf Coast. Stay informed and prepared!

:- Flood Insurance: Who Needs It?

Homeowners insurance doesn't cover you for flooding. Get the info you need about your best protection against flood damages.

:- Flood Preparedness

Are you and your family ready for the next flood? It's only a matter of time. Learn facts that could save your life.

:- Urban Stormwater Management Study

Efforts are underway for a substantial flooding and drainage study that will explore complex issues countywide.

:- Major Projects

The District is implementing many major flood damage reduction projects throughout Harris County. See where they are, what they are, and how the work is benefiting local residents.

Harris County Flood Control District Policy, Criteria, and Procedure Manual



Now available for download. This is the District's all new Policy, Criteria and Procedure Manual for Approval and Acceptance of Infrastructure.

:- Photos & Virtual Tour

Check out photos and VR panoramas of the county's vast drainage system, plus other interesting imagery.

Harris County Flood Control District Vegetation Management Manual



Now available for download. This is an all new manual that outlines the District's policies for vegetation management and maintenance.

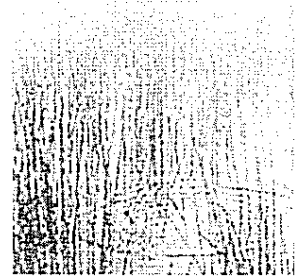


Photo Gallery



Virtual Tour

QuickTime required for VR panoramas.



“Efforts are underway for a substantial flooding and drainage study that will explore complex issues countywide.”

“Urban Stormwater Management Study

- Why does it flood so much around here?
- Why do some areas flood more than others?
- Why don't we build better drainage systems so the roads don't flood?
- Is new development doing its fair share to address flooding?
- Is the government doing enough to protect me and my property from flooding?
- Are public projects being designed the best way possible, with respect to drainage and flooding? ”

Paper: HOUSTON CHRONICLE

Date: THU 10/06/05

Section: ThisWeek

Page: 01

Edition: 2 STAR

Opposition remains against apartment complex / Housing board to decide fate of Rolling Creek project on Nov. 10

By KIM JACKSON

Staff

Northwest Harris County residents who showed up at a recent public hearing voiced opposition to a proposed low-to-moderate income apartment complex near their homes off *Fairbanks* - North Houston Road.

Several people at the meeting were members of the grassroots *Fairbanks Area Partnership* coalition, a group working to defeat Cynosure Developers' attempts to secure funding for the Rolling Creek Apartment complex.

The coalition has collected close to 1,500 signatures on a petition against the project.

Corpus Christi-based Cynosure Developers has applied with the state housing department for \$14.6 million in tax-exempt bonds and an estimated \$6 million in tax credits to build the 248-unit apartment complex at 8038 Gatehouse Drive.

Several residents spoke at the meeting, saying they do not want the Texas Department of Housing and Community Affairs to approve the developer's application to build the complex on a 25-acre site at Gatehouse Drive and Tami Renee Lane, because it would add to the *area*'s flooding, traffic, apartment vacancy and school overcrowding problems.

Build it somewhere else, they said.

Mark Bower, co-manager of Cynosure Developers, said the company would proceed with the application process despite community opposition.

The state housing department's board is expected to make a decision on Cynosure's application at a Nov. 10 meeting.

Jackie Remmers, a Rolling Fork subdivision resident and coalition committee chairman, said several residents have signed up to ride a bus to Austin to speak against the application at that board meeting.

Robbye Meyer, multifamily bond administrator for the housing department, said the six-member board would receive copies of all public and written comments made at the public hearing, as well as comments submitted to the department through Oct. 28.

"We (housing department staff) will give an objective recommendation to the board on whether or not the project is financially feasible," Meyer said. "The board is the one who takes public comments into account and makes the determination whether or not the application moves forward."

Rodney Coleman, a Rolling Fork subdivision resident, said he was concerned about overdevelopment and flooding in the *area*, which is located in the White Oak Bayou watershed.

"Our family has been personally devastated three times by flooding," Coleman said. "Land development in the White Oak Bayou watershed is obviously way ahead of what the watershed can handle. The amount of runoff that would come from this 25-acre (apartment) development is going to hurt us downstream."

Neighbor Terry Ryan asked why the state would approve another affordable-housing complex when there already are three others, and numerous privately funded apartment complexes, in the *area*.

Woodland Trails resident Deborah Garza said Reed Elementary, which is located across the street from the proposed complex, already is overburdened and overcrowded.

"This school does not have the space or funding to provide services for children from an economically disadvantaged background," Garza said. "There are other schools and locations that could give them the services they need."

After the hearing, Bower said he did not want to comment on the issues raised by residents.

In past Houston Chronicle articles, Bower said his company is dedicated to building a quality project and would not include anything that would harm the surrounding community in the plans.

Bower said project plans include a 5-acre detention pond to hold water and prevent further flooding. He said the company would sponsor after-school programs for children who live in the complex, and would install a four-way traffic light at Tami Renee Lane and *Fairbanks* -North Houston so that there is a safe way to get in and out of the street that leads to the proposed complex.

Bower has said that the people who will live in the complex will be hard-working people - just like *area* neighborhoods. He said the property would be gated and guarded.

Rolling Creek's tenants could earn no more than \$21,000 to \$42,000 per year, depending on the family size, and no less than three times the monthly rent. Rents would be set at about \$589 for a one-bedroom, \$706 for a two-bedroom and \$813 for a three-bedroom.

WANT TO COMMENT?

The Texas Department of Housing and Community Affairs is taking comments on the Rolling Creek Apartment project, 8038 Gatehouse Drive, until 5 p.m. Oct. 28.

- Comments can be sent to Robbye Meyer at: TDCHA, P.O. Box 13941, 507 Sabine St., Suite 700; Austin, Texas, 78711-3941; or by e-mail to robbye.meyer@tdhca.state.tx.us. She also can be contacted at 512-475-2213 or 512-475-0764.
- Application vote: The state housing department's six-member board is scheduled to vote on the Rolling Creek application at its Nov. 10 meeting, which starts at 10 a.m. in the TDHCA board room, 507 Sabine St., Austin, Texas.

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Meeting to spotlight apartment plans /Residents can discuss Rolling Creek proposal

By KIM JACKSON
Staff

State housing department officials said they will not delay a public hearing tonight on the proposed Rolling Creek Apartment complex project off *Fairbanks* -North Houston Road in the aftermath of Hurricane Rita.

Gordon Anderson, spokesman for the Texas Department of Housing and Community Affairs, said residents are encouraged to come out and voice support, concerns and comments at the state-sponsored hearing, which starts at 6:30 p.m. at Reed Elementary School, 8700 Tami Renee Lane.

Members of the grassroots *Fairbanks Area Partnership* coalition, who are battling the Rolling Creek Apartment developers' attempts to secure state funding for a low- to moderate-income apartment complex near their homes off *Fairbanks* -North Houston Road, said they expect to see a turnout at the public hearing.

Corpus Christi-based Cynosure Developers has applied with the state housing department for \$14.6 million in tax-exempt bonds and an estimated \$6 million in tax credits to build a 248-unit apartment complex at 8038 Gatehouse Drive.

"We are cautiously optimistic that we will have a sizable crowd there even though some people are still getting back in town," said Jackie Remmers, a Rolling Fork subdivision resident and FAP committee chairwoman. "I will be surprised if we don't have at least as many as at the last public hearing in February - we had over 400 people there."

The coalition held a community rally Sept. 17 to garner support for their cause, and to gather signatures on a petition opposing issuing tax-exempt bonds and housing tax credits by the Texas Department of Housing and Community Affairs for the construction of the proposed Rolling Creek Apartment complex.

Remmers said more than 300 people came and went throughout the course of the two-hour rally. She said residents and public officials - state Reps. Peggy Hamric, R-Houston, and Gary Elkins, R-Houston, and a representative from U.S. Rep. John Culberson's office - voiced concerns about potential flooding, traffic and school overcrowding issues if the apartment complex is built.

"We already have three housing tax-credit, and one (U.S. Department of Housing and Urban Development) Section 8, apartment properties in this *area* ," Remmers said. "This *area* had an

80 percent apartment occupancy rate pre-Katrina. Some facilities are full now, but they won't be full forever."

The state housing board should make a decision on the Cynosure's application at a Nov. 10 meeting in Austin.

Mark Bower of Cynosure Developers said his company is dedicated to building a quality project and would not include anything that would harm the surrounding community in the plans.

Bower said project plans include a 5-acre detention pond to hold water and prevent further flooding. He said the company would invest \$20 million in the project and, in addition to a quality construction, would sponsor after-school programs for children who live in the complex.

Bower said the impact on traffic in the *area* should be minimal. The company is also building a traffic light at Tami Renee Lane and **Fairbanks** -North Houston so that there is a safe way get in and out of the street that leads to the proposed complex. That light will benefit existing neighborhoods that branch off of Tami Renee Lane, he said.

The federal government offers tax-exempt bonds and tax credits as an incentive for developers to build housing with controlled rents.

Rolling Creek's tenants could earn no more than \$25,620 to \$42,480 per year, depending on the family size, and no less than three times the monthly rent. Rents would be set at about \$589 for a one-bedroom, \$706 for a two-bedroom and \$813 for a three-bedroom.

WANT TO GO?

- What: Public hearing on proposal to build a low- to-moderate-income apartment complex at 8038 Gatehouse Drive, off **Fairbanks** -North Houston Road.
- When: 6:30 tonight
- Where: Reed Elementary, 8700 Tami Renee Lane.
- Details: For more information, contact Robbye Meyer at the Texas Department of Housing and Community Affairs, 507 Sabine, Austin, Texas 78701; 512-475-2213; and/or robbye.meyer@tdhca.state.tx.us.

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Group to rally against housing complex /State to host Sept. 29 hearing on low-income apartments

By KIM JACKSON
Staff

Members of the grassroots *Fairbanks Area Partnership* coalition are preparing for their next battle against a developer trying to secure state funding for a low-to-moderate income apartment complex near their homes off *Fairbanks* -North Houston Road.

The coalition will hold a community rally, 11 a.m.-1 p.m. Saturday in front of Faith Assembly Church, 7755 *Fairbanks* -N. Houston Road.

At the rally they will gather support and signatures on a petition opposing issuing tax-exempt bonds and housing tax credits by the Texas Department of Housing and Community Affairs for the construction of the proposed Rolling Creek Apartment complex.

Coalition members said they also would collect donations of nonperishable food items, personal hygiene items, medical supplies and school supplies for Hurricane Katrina Relief efforts at the rally.

Corpus Christi-based Cynosure Developers has applied with the state housing department for \$14.6 million in tax-exempt bonds and an estimated \$6 million in tax credits to build a 248-unit apartment complex at *Fairbanks* North Houston Road near Summertree Drive.

The developer submitted the application this week, and the housing board should make a decision on the matter at a Nov. 10 meeting in Austin.

Mark Bower of Cynosure Developers said he has no comment about residents' decision to hold the rally, and does not believe it will have an impact on the state's decision to fund the apartment project.

Jackie Remmers, a Rolling Fork subdivision resident and FAP committee chairman, said coalition members will encourage residents to speak against the project at a state-sponsored public hearing 6:30 p.m. Sept. 29 at Reed Elementary School, 8700 Tami Renee Lane.

"Our big concern is flooding," said Remmers. "I have talked to so many people who are not aware of how much the government has already spent on flood repairs and home buyouts in our area and it still floods. Who wants to build another apartment complex where it floods?"

Remmers said coalition members also believe the *area* already has a sufficient number of affordable income apartment complexes, two within two miles of the proposed Rolling Creek project, and that transportation for residents would be an issue because there is no public transportation available within walking distance of the proposed complex.

Bower said Cynosure is dedicated to building a quality project and would not include anything that would harm the surrounding community in the plans.

"We are building a 5-acre detention pond to hold our water, and prevent further flooding," Bower said. "We also did a traffic study and found the impact of our traffic on *Fairbanks* -North Houston, which is already a busy street, would be negligible."

"I think there is a misconception out there that the people we will bring will be on welfare and commit crimes. The people that will live in our complex will be hard-working people - just like many of the neighborhoods in the *area*. No one would lend us money if we planned on building a complex that we would allow to deteriorate and bring in crime. We wouldn't either - we have \$20 million invested in the project."

Melissa Brandon, coalition secretary and a Courtyard Glen resident, said residents who oppose the project want Texas Department of Housing and Community Affairs board members to take the opposition into consideration when they make their decision about issuing bonds and tax credits for the project.

The federal government offers tax-exempt bonds and tax credits as an incentive for developers to build housing with controlled rents.

Rolling Creek's tenants could earn no more than \$25,620 to \$42,480 per year, depending on the family size, and no less than three times the monthly rent. Rents would be set at about \$589 for a one-bedroom, \$706 for a two-bedroom and \$813 for a three-bedroom.

Brandon said residents in several neighborhoods, Rolling Fork, Woodwind Lakes, Courtyard Glen, Carriage Lane, Woodland Trails West, Creekside Estates, Burger Estates, Terrace Brook and Laurel Creek, have sent letters of opposition to the state agency and the coalition's petition has over 1,200 signatures.

More than 400 people spoke out against the project at a public hearing in February, and Cynosure Developers withdrew their application a month later.

However, the same company reapplied for state funding in April.

"We have to believe that somehow our voice makes a difference," Brandon said. "We hope in the future, the state changes its criteria to take into account how a project affects the surrounding community."

Gordon Anderson, spokesman for the Texas Department of Housing and Community Affairs, said public comments and letters of opposition, or support, are not assigned points in the overall score given to the application, but board members do take those factors into account before making their decision.

"It does catch the board's attention when there is significant opposition to a project, and they are sensitive to the community, but they are also sensitive to the need for affordable housing in an *area*," Anderson said.

"We always encourage public comment."

WANT TO GO?

- What: ***Fairbanks Area Partnership*** Coalition will hold a community rally to inform *area* residents about their opposition to a proposed low-to-moderate income apartment project on ***Fairbanks*** N. Houston Road, and to gather signatures on a petition opposing the issuance of tax-exempt bonds and housing tax credits by the Texas Department of Housing and Community Affairs for the project

- When: 11 a.m. to 1 p.m. Saturday.

- Where: In front of Faith Assembly Church, 7755 ***Fairbanks*** -N. Houston Road

WANT TO GO

- What: Public hearing on proposal to build a low- to-moderate-income apartment complex on the 7800 block of ***Fairbanks*** North Houston.

- When: 6:30 p.m. Sept. 29

- Where: Reed Elementary, 8700 Tami Renee Lane.

- Details: For more information contact Robbye Meyer at the Texas Department of Housing and Community Affairs, 507 Sabine, Austin, Texas 78701; 512-475-2213; and/or robbye.meyer@tdhca.state.tx.us.

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AROUND THE *AREA*

BARBECUE DINNER

Coalition to host July fund-raiser

The *Fairbanks Area Partnership*, a coalition of neighborhoods, will host a fund-raiser barbecue from 1-5 p.m. July 31 at the Rolling Fork Clubhouse, 9110 Rodney Ray. The *Fairbanks* -North Houston *area* group is opposing the issuance of tax-exempt multifamily bonds and tax credits for the construction of Rolling Creek Apartments at 8038 Gatehouse Drive.

In addition to the dinner, there will be a silent auction, bingo games, and children's activities. Tickets are \$7 for adults; \$4 for children ages 6 years and younger. New petitions opposing the project will be available for signing at the barbecue.

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**Multifamily Finance Division
2005 Multifamily Housing Revenue Bond Program**

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TITLE 10. COMMUNITY DEVELOPMENT
PART I. TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS
CHAPTER 35. MULTIFAMILY HOUSING REVENUE BOND RULES
10 TAC §§35.1 – 35.10

§35.1. Introduction

The purpose of this Chapter 35 is to state the Texas Department of Housing and Community Affairs (the "Department") requirements for issuing Bonds, the procedures for applying for multifamily housing revenue Bond financing, and the regulatory and land use restrictions imposed upon Developments financed with the issuance of Bonds for the 2005 Private Activity Bond Program Year. The rules and provisions contained in Chapter 35, of this title are separate from the rules relating to the Department's administration of the Housing Tax Credit Program. Applicants seeking a tax credit allocation should consult the Department's Qualified Allocation Plan and Rules ("QAP"), in effect for the program year for which the Housing Tax Credit application will be submitted.

§35.2. Authority

The Department receives its authority to issue Bonds from Chapter 2306 of the Texas Government Code (the "Act"). All Bonds issued by the Department must conform to the requirements of the Act. Notwithstanding anything herein to the contrary, tax-exempt Bonds which are issued to finance the Development of multifamily rental housing are specifically subject to the requirements of the laws of the State of Texas, including but not limited to the Act, Chapter 1372 of the Texas Government Code relating to Private Activity Bonds, and to the requirements of the Code (as defined in this chapter).

§35.3. Definitions.

The following words and terms, when used in the chapter, shall have the following meaning, unless context clearly indicates otherwise.

- (1) **Applicant**--means any Person or Affiliate of a Person who is a member of the General Partner, who files a Pre-Application or full Application with the Department requesting the Department issue Bonds to finance a Development.
- (2) **Application**--means an Application, in the form prescribed by the Department, filed with the Department by an Applicant, including any exhibits or other supporting material.
- (3) **Board**--means the Governing Board of the Department.
- (4) **Bond**--means an evidence of indebtedness or other obligation, regardless of the sources of payment, issued by the Department under the Act, including a bond, note, or bond or revenue anticipation note, regardless of whether the obligation is general or special, negotiable, or nonnegotiable, in bearer or registered form, in certified or book entry form, in temporary or permanent form, or with or without interest coupons.
- (5) **Code**--means the Internal Revenue Code of 1986, as amended from time to time, together with any applicable regulations, rules, rulings, revenue procedures, information statements or other official pronouncements issued by the United States Department of the Treasury or the Internal Revenue Service.
- (6) **Development**--means property or work or a development, building, structure, facility, or undertaking, whether existing, new construction, remodeling, improvement, or rehabilitation, that meets or is designed to meet minimum property standards required by the Department for the primary purpose of providing sanitary, decent, and safe dwelling accommodations for rent, lease, or use by individuals and families of Low Income and Very Low Income and Families of Moderate Income in need of housing. The term includes:
 - (A) buildings, structures, land, equipment, facilities, or other real or personal properties that are necessary, convenient, or desirable appurtenances, including streets, water, sewage facilities, utilities, parks, site preparation, landscaping, stores, offices, and other non-

- housing facilities, such as administrative, community, and recreational facilities the Department determines to be necessary, convenient, or desirable appurtenances; and
- (B) multifamily dwellings in rural and urban areas.
- (7) **Development Owner**--means an Applicant that is approved by the Department as qualified to own, construct, acquire, rehabilitate, operate, manage, or maintain a Development subject to the regulatory powers of the Department and other terms and conditions required by the Department and the Act.
- (8) **Eligible Tenants**--means
- (A) individuals and families of Extremely Low, Very Low and Low Income,
- (B) Families of Moderate Income (in each case in the foregoing subparagraph (A) and (B) of this paragraph as such terms are defined by the Issuer under the Act), and
- (C) Persons with Special Needs, in each case, with an Anticipated Annual Income not in excess of 140% of the area median income for a four-person household in the applicable standard metropolitan statistical area; provided that all Low-Income Tenants shall count as Eligible Tenants.
- (9) **Extremely Low Income**--means the income received by an individual or family whose income does not exceed thirty percent (30%) of the area median income or applicable federal poverty line, as determined by the Act.
- (10) **Family of Moderate Income**--means a family:
- (A) that is determined by the Board to require assistance taking into account
- (i) the amount of total income available for the housing needs of the individuals and family,
- (ii) the size of the family,
- (iii) the cost and condition of available housing facilities,
- (iv) the ability of the individuals and family to compete successfully in the private housing market and to pay the amounts required by private enterprise for sanitary, decent, and safe housing, and
- (v) standards established for various federal programs determining eligibility based on income; and
- (B) that does not qualify as a family of Low Income.
- (11) **Ineligible Building Type**--as defined in the Department's QAP and Rules in effect for the program year for which the Bond and Housing Tax Credit applications are submitted.
- (12) **Institutional Buyer**--means
- (A) an accredited investor as defined in Regulation D promulgated under the Securities Act of 1933, as amended (17 CFR Sec. 230.501(a)), but excluding any natural person or any director or executive officer of the Department (17 CFR §§ 230.501(a)(4) through (6)) or
- (B) a qualified institutional buyer as defined by Rule 144A promulgated under the Securities Act of 1935, as amended (17 CFR Sec. 230.144A).
- (13) **Low Income**--means the income received by an individual or family whose income does not exceed eighty percent (80%) of the area median income or applicable federal poverty line, as determined by the Act.
- (14) **Land Use Restriction Agreement (LURA)**--means an agreement between the Department and the Development Owner which is binding upon the Development Owner's successors in interest that encumbers the Development with respect to the requirements of law, including this title, the Act and Section 42 of the Code.
- (15) **Owner**--means an Applicant that is approved by the Department as qualified to own, construct, acquire, rehabilitate, operate, manage, or maintain a Development subject to the regulatory powers of the Department and other terms and conditions required by the Department and the Act.
- (16) **Persons with Special Needs**--means persons who

- (A) are considered to be disabled under a state or federal law,
 - (B) are elderly, meaning 60 years of age or older or of an age specified by an applicable federal program,
 - (C) are designated by the Board as experiencing a unique need for decent, safe housing that is not being met adequately by private enterprise, or
 - (D) are legally responsible for caring for an individual described by subparagraph (A), (B) or (C) of this paragraph above and meet the income guidelines established by the Board.
- (17) **Private Activity Bonds**--means any Bonds described by §141(a) of the Code.
 - (18) **Private Activity Bond Program Scoring Criteria**--means the scoring criteria established by the Department for the Department's Multifamily Housing Revenue Bond Program, §35.6(d) of this title.
 - (19) **Private Activity Bond Program Threshold Requirements**--means the threshold requirements established by the Department for the Department's Multifamily Housing Revenue Bond Program, §35.6(c) of this title.
 - (20) **Program**--means the Department's Multifamily Housing Revenue Bond Program.
 - (21) **Proper Site Control**--Regarding the legal control of the land to be used for the Development, means the earnest money contract is in the name of the Applicant (principal or member of the General Partner); fully executed by all parties and escrowed by the title company.
 - (22) **Property**--means the real estate and all improvements thereon, whether currently existing or proposed to be built thereon in connection with the Development, and including all items of personal property affixed or related thereto.
 - (23) **Qualified 501(c)(3) Bonds**--means any Bonds described by §145(a) of the Code.
 - (24) **Tenant Income Certification**--means a certification as to income and other matters executed by the household members of each tenant in the Development, in such form as reasonably may be required by the Department in satisfaction of the criteria prescribed by the Secretary of Housing and Urban Development under §8(f)(3) of the Housing Act of 1937 ("the Housing Act") (42 U.S.C. 1437f) for purposes of determining whether a family is a lower income family within the meaning of the §8(f)(1) of the Housing Act.
 - (25) **Tenant Services**--means social services, including child care, transportation, and basic adult education, that are provided to individuals residing in low income housing under Title IV-A, Social Security Act (42 U.S.C. §601 et seq.), and other similar services.
 - (26) **Tenant Services Program Plan**--means the plan, subject to approval by the Department, which describes the Tenant Services to be provided by the Development Owner in a Development.
 - (27) **Trustee**--means a national banking association organized and existing under the laws of the United States, as trustee (together with its successors and assigns and any successor trustee).
 - (28) **Unit**--means any residential rental Unit in a Development consisting of an accommodation, including a single room used as an accommodation on a non-transient basis, that contains complete physical facilities and fixtures for living, sleeping, eating, cooking and sanitation.
 - (29) **Very Low Income**--means the income received by an individual or family whose income does not exceed sixty percent (60%) of the area median income or applicable federal poverty line as determined under the Act.

§35.4. Policy Objectives & Eligible Developments

The Department will issue Bonds to finance the preservation or construction of decent, safe and affordable housing throughout the State of Texas. Eligible Developments may include those which are constructed, acquired, or rehabilitated and which provide housing for individuals and families of Low Income, Very Low Income, or Extremely Low Income, and Families of Moderate Income.

§35.5. Bond Rating and Investment Letter

- (a) **Bond Ratings.** All publicly offered Bonds issued by the Department to finance Developments shall have and be required to maintain a debt rating the equivalent of at least an "A" rating assigned to long-term obligations by Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. or Moody's Investors Service, Inc. If such rating is based upon credit enhancement provided by an institution other than the Applicant or Development Owner, the form and substance of such credit enhancement shall be subject to approval by the Board, which approval shall be evidenced by adoption by the Board of a resolution authorizing the issuance of the credit-enhanced Bonds. Remedies relating to failure to maintain appropriate credit ratings shall be provided in the financing documents relating to the Development.
- (b) **Investment Letters.** Bonds rated less than "A" or Bonds which are unrated must be placed with one or more Institutional Buyers and must be accompanied by an investment letter acceptable to the Department. Subsequent purchasers of such Bonds shall also be qualified as Institutional Buyers and shall sign and deliver to the Department an investment letter in a form acceptable to the Department. Bonds rated less than "A," and Bonds which are unrated shall be issued in physical form, in minimum denominations of one hundred thousand dollars (\$100,000), and shall carry a legend requiring any purchasers of the Bonds to sign and deliver to the Department an investment letter in a form acceptable to the Department.

§35.6. Application Procedures, Evaluation and Approval

- (a) **Application Costs, Costs of Issuance, Responsibility and Disclaimer.** The Applicant shall pay all costs associated with the preparation and submission of the Application – including costs associated with the publication and posting of required public notices – and all costs and expenses associated with the issuance of the Bonds, regardless of whether the Application is ultimately approved or whether Bonds are ultimately issued. At any stage during the Application process, the Applicant is solely responsible for determining whether to proceed with the Application, and the Department disclaims any and all responsibility and liability in this regard.
- (b) **Pre-application.** An Applicant who requests financing from the Department for a Development shall submit a pre-application in a format prescribed by the Department. Within fourteen (14) days of the Department's receipt of the pre-application, the Department will be responsible for federal, state, and local community notifications of the proposed Development. Upon review of the pre-application, if the Development is determined to be ineligible for Bond financing by the Department, the Department will send a letter to the Applicant explaining the reason for the ineligibility. If the Development is determined to be eligible for Bond financing by the Department, the Department will score and rank the pre-application based on the Private Activity Bond Program Scoring Criteria as described in subsection (d) of this section. The Department will score and rank the pre-application with higher scores ranking higher within each priority defined by §1372.0321, Texas Government Code. All Priority 1 Applications will be ranked above all Priority 2 Applications which will be ranked above all Priority 3 Applications, regardless of score. This ranking will be used throughout the calendar year. In the event two or more Applications receive the same score, the Department will use, as a tie-breaking mechanism, the number of points awarded for Quality and Amenities for the Development. If a tie still exists, the Department will grant preference to the pre-application with the lower number of net rentable square feet per bond amount requested. Pre-Applications must meet the threshold requirements as stated in the Private Activity Bond Program Threshold Requirements as set out in subsection (c) of this section. The Private Activity Bond Program Threshold Requirements will be posted on the Department's website. After scoring, the Development and the proposed financing structure will be presented to the Department's Board for consideration of a resolution declaring the Department's intent to issue Bonds (the "inducement resolution") with respect to the Development. After Board approval of the inducement resolution, the scored and ranked Applications will be submitted to the Texas Bond Review Board for its lottery processing. The Texas Bond Review Board will draw the number of lottery numbers that equates to the number of

eligible Applications submitted by the Department. The lottery numbers drawn will not equate to a specific Development. The Texas Bond Review Board will thereafter assign the lowest lottery number drawn to the highest scored and ranked Application as previously determined by the Department. The criteria by which a Development may be deemed to be eligible or ineligible are explained below in subsection (g) of this section, entitled Evaluation Criteria. The Private Activity Bond Program Scoring Criteria will be posted on the Department's website. The pre-application shall consist of the following information:

- (1) Completed Uniform Application forms in the format required by the Department;
 - (2) Texas Bond Review Board's Residential Rental Attachment;
 - (3) Relevant Development Information;
 - (4) Public Notification Information;
 - (5) Certification and agreement to comply with the Department's rules;
 - (6) Agreement of responsibility of all cost incurred;
 - (7) An organizational chart showing the structure of the Applicant and the ownership structure of any principals of the Applicant;
 - (8) Evidence that the Applicant and principals are registered with the Texas Secretary of State, or if the Applicant has not yet been formed, evidence that the name of the Applicant is reserved with the Secretary of State;
 - (9) Organizational documents such as partnership agreements and articles of incorporation, as applicable, for the Applicant and its principals;
 - (10) Documentation of non-profit status if applicable; Evidence of good standing from the Comptroller of Public Accounts of the State of Texas for the Applicant and its principals; Corporate resumes and individual resumes of the Applicant and any principals;
 - (11) A copy of an executed earnest money contract between the Applicant and the seller of the Property. This earnest money contract must be in effect at the time of submission of the application and expire no earlier than December 1 of the year preceding the applicable program year. The earnest money contract must stipulate and provide for the Applicant's option to extend the contract expiration date through March 1 of the program year, subject only to the seller's receipt of additional earnest money or extension fees, so that the Applicant will have site control at the time a reservation is granted. If the Applicant owns the Property, a copy of the recorded warranty deed is required;
 - (12) Evidence of zoning appropriate for the proposed use, application for the appropriate zoning or statement that no zoning is required;
 - (13) A local map showing the location of the proposed Property site;
 - (14) A boundary survey or subdivision plat which clearly identifies the location and boundaries of the subject Property;
 - (15) Name, address and telephone number of the Seller of the Property;
 - (16) Construction draw and lease-up proforma for Developments involving new construction;
 - (17) Past two years' operating statements for existing Developments;
 - (18) Current market information which includes rental comparisons;
 - (19) Documentation of local Section 8 utility allowances;
 - (20) Verification/Evidence of delivery of federal, state, and local community notifications;
 - (21) Self-Scoring Criteria; and
 - (22) Such other items deemed necessary by the Department per individual application.
- (c) Pre-Application Threshold Requirements.
- (1) As the Department reviews the Application, the Department will use the following assumptions, even if not reflected in the Application. Prequalification Assumptions:
 - (A) Development Feasibility:
 - (i) Debt Coverage Ratio must be greater than or equal to 1.10;

- (ii) Annual Expenses must be at least \$3,800 per Unit or \$3.75 per square foot;
 - (iii) Deferred Developer Fees are limited to 80% of Developer's Fees;
 - (iv) Contractor Fee are limited to 6% of direct costs plus site work cost;
 - (v) Overhead are limited to 2% of direct costs plus site work cost;
 - (vi) General Requirements are limited to 6% of direct costs plus site work cost;
 - (vii) Developer Fees cannot exceed 15% of the project's Total Eligible Basis
- (B) Construction Costs Per Unit Assumption. The acceptable range is \$47 to \$61 per Unit (Acquisition / Rehab developments are exempt from this requirement);
 - (C) Interest Rate Assumption. 6.00% for 30 year financing and 6.75% for 40 year financing;
 - (D) Size of Units (Acquisition / Rehab developments are exempt from this requirement);
 - (i) One bedroom Unit must be greater than or equal to 650 square feet for family and 550 square feet for senior Units.
 - (ii) Two bedroom Unit must be greater that or equal to 900 square feet for family and 750 square feet for senior Units.
 - (iii) Three bedroom Unit must be greater than or equal to 1,000 square feet for family.
- (2) Appropriate Zoning. Evidence of appropriate zoning for the proposed use or evidence of application made and pending decision;
 - (3) Executed Site Control. Properly executed and escrow receipted site control through 12/1/04 with option to extend through 3/1/05;
 - (4) Previous Participation and Authorization to Release Credit Information (located in the uniform application);
 - (5) Current Market Information (must support affordable rents);
 - (6) Completed TDHCA Uniform Application and application exhibits;
 - (7) Completed Multifamily Rental Worksheets;
 - (8) Public Notification Information (see application package);
 - (9) Relevant Development Information (see application package);
 - (10) Completed 2004 Bond Review Board Residential Rental Attachment;
 - (11) Signed letter of Responsibility for All Costs Incurred;
 - (12) Signed MRB Program Certification Letter;
 - (13) Evidence of Paid Application Fees (\$1,000 to TDHCA, \$1,500 to Vinson and Elkins and \$5,000 to Bond Review Board);
 - (14) Boundary Survey or Plat;
 - (15) Local Area map showing the location of the Property and Community Services / Amenities within a three (3) mile radius;
 - (16) Utility Allowance from the Appropriate Local Housing Authority;
 - (17) Organization Chart with evidence of Entity Registration or Reservation with the Secretary of State; and
 - (18) Required Notification. Evidence of notifications shall include a copy of the exact letter and other materials that were sent to the individual or entity and proof of delivery in the form of a signed certified mail receipt, signed overnight mail receipt or confirmation letter from each official. Each notice must include the information required for "Community Notification" within the Application Package. Notification must be sent to all the following individuals and entities (*If the QAP and Rules in effect for the program year for which the Bond and Housing Tax Credit applications are submitted reflect a notification process that is different from the process listed below, then the QAP and Rules will override the notification process listed below*):
 - (A) State Senator and Representative that represents the community containing the development;

- (B) Presiding Officer of the governing body of any municipality containing the development and all elected members of that body (Mayor, City Council members);
- (C) Presiding Officer of the governing body of the county containing the development and all elected members of that body (County Judge and/or Commissioners);
- (D) School District Superintendent of the school district containing the development;
- (E) Presiding Officer of the School Board of Trustees of the school district containing the development;
- (F) City and County Clerks (Evidence must be provided that a letter, meeting the requirements of the "Clerk Notification" letter in the application materials, was sent to the city clerk and county clerk no later than August 9, 2004. A copy of the return letter from the city and county clerks must be provided); and
- (G) Neighborhood Organizations on record with the state or county whose boundaries contain the development (All entities identified in the letters from the city and county clerks must be provided with written notification and evidence of that notification must be provided. If the Applicant can provide evidence that the proposed Development is not located within the boundaries of an entity on a list from the clerk(s), then such evidence in lieu of notification may be acceptable. If no letter is received from the city or county clerk by seven (7) days prior to the date of Application submission, the Applicant must submit a statement attesting to the fact that no return letter was received. If the Applicant has knowledge of neighborhood organizations on record with the state or county within whose boundaries the development is located, written notification must be provided to them. If the Applicant has no knowledge of such neighborhood organizations within whose boundaries the Development is located, they must submit a statement to that effect with the Application).

(d) Pre-Application Scoring Criteria.

- (1) Construction Cost Per Unit includes: site work, contractor profit, overhead, general requirements and contingency. Calculation will be hard costs per square foot of net rentable area. Must be greater than or equal to \$60 per square foot (1point) (Acquisition / Rehab will automatically receive (1 point)).
- (2) Size of Units. Average size of all Units combined in the development must be greater than or equal to 950 square foot for family and must be greater than or equal to 750 square foot for elderly (5 points). (Acquisition / Rehab developments will automatically receive 5 points).
- (3) Period of Guaranteed Affordability for Low Income Tenants.
Add 10 years of affordability after the extended use period for a total affordability period of 40 years (1 point).
- (4) Quality and Amenities ((maximum 34 points) Acquisition / Rehab (with no demolition / new construction) will receive double points not to exceed 34 points)). (If there are changes to the Application prior to closing that have an adverse affect on the score and ranking order and that would have resulted in the Application being placed below another Application in the ranking, the Department will terminate the Application and return the reservation to the Texas Bond Review Board (with the exception of changes to deferred developer's fees and support or opposition points). Substitutions in amenities will be allowed as long as the overall score is not affected). Applications in which Developments provide specific qualities and amenities at no extra charge to the tenant will be awarded points as follows:
 - (A) Washer / Dryer Connections (1 point);
 - (B) Microwave Ovens (in each Unit) (1 point);
 - (C) Storage Room (outside the Unit) (1 point);

- (D) Covered Parking (at least one per Unit) (3 points);
 - (E) Garages (equal to at least 35% of Units) (5 points);
 - (F) Ceiling Fans (living rooms and bedrooms) (1 point);
 - (G) Ceramic Tile Flooring (entry way and all bathroom) (2 points);
 - (H) 75% or Greater Masonry (includes rock, stone, brick, stucco and cementious board product; excludes EFIS) (5 points);
 - (I) Playground and Equipment or Covered Community Porch (3 points);
 - (J) BBQ Grills and Tables (one each per 50 Units) or Walking Trail (minimum length of ¼ mile) (3 points);
 - (K) Full Perimeter Fencing and Gated (3 points);
 - (L) Computers with internet access / Business Facilities (8 hour availability) (2 points);
 - (M) Game Room or TV Lounge (2 points);
 - (N) Workout Facilities or Library (with comparable square footage as workout facilities) (2 points).
- (5) Tenant Services (Tenant Services shall include only direct costs (tenant services contract amount, supplies for services, internet connections, initial cost of computer equipment, etc...). Indirect costs such as overhead and utility allocations may not be included).
- (A) \$10.00 per Unit per month (10 points);
 - (B) \$7.00 per Unit per month (5 points);
 - (C) \$4.00 per Unit per month (3 points).
- (6) Zoning appropriate for the proposed use or no zoning required (appropriate zoning for the intended use must be in place at the time of application submission date, August 30,2004, in order to receive points) (5 points).
- (7) Proper Site Control (as defined in §35.3(21) of this title control through 12/01/04 with option to extend through 03/01/05 and all information correct at the time of application submission date, August 30, 2004, in order to receive points) (5 points).
- (8) Development Support / Opposition (Maximum net points of +12 to -12. Each letter will receive a maximum of +1.5 to -1.5. All letters received by by 5:00 PM, October 22, 2004 will be used in scoring).
- (A) Texas State Senator and Texas State Representative (maximum +3 to -3 points);
 - (B) Presiding officer of the governing body of any municipality containing the Development and the elected district member of the governing body of the municipality containing the Development (maximum +3 to -3 points);
 - (C) Presiding officer of the governing body of the county containing the Development and the elected district member of the governing body of the county containing the Development (if the site is not in a municipality, these points will be doubled) (maximum +3 to -3 points);
 - (D) Local School District Superintendent and Presiding Officer of the Board of Trustees for the School district containing the Development (maximum +3 to -3 points).
- (9) Penalties for Missed Deadlines in the Previous Year's Bond and / or Tax Credit program year. (This includes approved and used extensions) (-1 point with maximum 3 point deduction).
- (10) Local Political Subdivision Development Funding Commitment that enables additional Units for the Very Low Income (CDBG, HOME or other funds through local political subdivisions) (must be greater than or equal to 2% of the bond amount requested and must provide at least 5% of the total Development Units at or below 30% AMFI or an additional 5% of the total Development Units if the Applicant has chosen category Priority 1B on the residential rental attachment) (2 points).
- (11) Proximity to Community Services / Amenities (Community services / amenities within three (3) miles of the site. A map must be included with the Application showing a three (3) mile radius notating where the services / amenities are located) (maximum 12 points)

- (A) Grocery Store (1 point);
 - (B) Pharmacy (1 point);
 - (C) Convenience store (1 point);
 - (D) Retail Facilities (Target, Wal-Mart, Home Depot, etc...) (1 point);
 - (E) Bank / Financial Institution (1 point);
 - (F) Restaurant (1 point);
 - (G) Public Recreation Facilities (park, civic center, YMCA) (1 point);
 - (H) Fire / Police Station (1 point);
 - (I) Medical Facilities (hospitals, minor emergency, etc...) (1 point);
 - (J) Public Library (1 point);
 - (K) Public Transportation (1/2 mile from site) (1 point);
 - (L) Public School (only one school required for point (1 point).
- (12) Proximity to Negative Features (within 300 feet of any part of the Development site boundaries. A map must be included with the application showing where the feature is located. Developer must provide a letter stating there are none of the negative features listed below within the stated area if that is correct. (maximum -20 points)
- (A) Junkyards (5points);
 - (B) Active Railways (excluding light rail) (5 points);
 - (C) Interstate Highways / Service Roads (5 points);
 - (D) Solid Waste / Sanitary Landfills (5 points);
 - (E) High Voltage Transmission Towers (5 points).
- (13) Acquisition / Rehabilitation Developments will receive ten (10) points. This will include the demolition of old buildings and new construction of the same number of units if allowed by local codes or less units to comply with local codes (not to exceed 250 total units).
- (e) **Financing Commitments.** After approval by the Board of the inducement resolution, and before submission of a final application, the Applicant will be solely responsible for making appropriate arrangements with financial institutions which are to be involved with the issuance of the Bonds or the financing of the Development, and to begin the process of obtaining firm commitments for financing from each of the financial institutions involved.
- (f) **Final Application.** An Applicant who elects to proceed with submitting a final Application to the Department must provide a final Application and such supporting material as is required by the Department at least sixty (60) days prior to the scheduled meeting of the Board at which the Development and the Bond issuance are to be considered, unless the Department directs the Applicant otherwise in writing. The final application must adhere to the Department's QAP and Rules in effect for the program year for which the Bond and Housing Tax Credit applications are submitted. The Department may determine that supporting materials listed in paragraphs (1) through (42) of this subsection shall be provided subsequent to the final Application deadline in accordance with a schedule approved by the Department. Failure to provide any supporting materials in accordance with the approved schedule may be grounds for terminating the Application and returning the reservation to the Texas Bond Review Board. The final application and supporting material shall consist of the following information:
- (1) A Public Notification Sign shall be installed on the Development site no later than fourteen (14) days after the submission of Volume I and II of the Tax Credit Application to the Department (pictures and invoice receipts must be submitted as evidence of installation within fourteen (14) days of the submission). The sign must be at least four (4) feet by eight (8) feet in size and be located within twenty (20) feet of, and facing, the main road adjacent to the site. The sign shall be continuously maintained on the site until the day the TDHCA Board takes final action on the Application for the development. The information

and lettering on the sign must meet the requirements identified in the Application. As an alternative to installing a Public Notification Sign and at the same required time, the Applicant may instead, at the Applicant's Option, mail written notification to all addresses located within the footage distance required by the local municipality zoning ordinance or 1,000 feet, if there is no local zoning ordinance or if the zoning ordinance does not require notification, of any part of the proposed Development site. This written notification must include the information otherwise required for the sign. If the Applicant chooses to provide this mailed notice in lieu of signage, the final Application must include a map of the proposed Development site and mark the 1,000 foot or local ordinance area showing street names and addresses; a list of all addresses the notice was mailed to; an exact copy of the notice that was mailed; and a certification that the notice was mailed through the U.S. Postal Service and stating the date of mailing. In addition (within the 14 days), the Applicant must notify any public official that has changed since the submission of the pre-application and any neighborhood organizations that are known and were not notified at the time of the pre-application submission.

- (2) Completed Uniform Application forms in the format required by the Department;
- (3) Certification of no changes from the pre-application to the final application. If there are changes to the Application that have an adverse affect on the score and ranking order and that would have resulted in the application being placed below another application in the ranking, the Department will terminate the Application and return the reservation to the Texas Bond Review Board (with the exception of changes to deferred developer's fees and support or opposition points);
- (4) Certification and agreement to comply with the Department's rules;
- (5) A narrative description of the Development;
- (6) A narrative description of the proposed financing;
- (7) Firm letters of commitment from any lenders, credit providers, and equity providers involved in the transaction;
- (8) Documentation of local Section 8 utility allowances;
- (9) Site plan;
- (10) Unit and building floor plans and elevations;
- (11) Complete construction plans and specifications;
- (12) General contractor's contract;
- (13) Completion schedule;
- (14) Copy of a recorded warranty deed if the Applicant already owns the Property, or a copy of an executed earnest money contract between the Applicant and the seller of the Property if the Property is to be purchased;
- (15) A local map showing the location of the Property;
- (16) Photographs of the Site;
- (17) Survey with legal description;
- (18) Flood plain map;
- (19) Evidence of zoning appropriate for the proposed use from the appropriate local municipality that satisfies one of these subparagraphs (A) through (C) of this paragraph:
 - (A) no later than fourteen (14) days before the Board meets to consider the transaction, the Applicant must submit to the Department written evidence that the local entity responsible for initial approval of zoning has approved the appropriate zoning and that they will recommend approval of the appropriate zoning to the entity responsible for final approval of zoning decisions;
 - (B) provide a letter from the chief executive officer of the political subdivision or another local official with appropriate jurisdiction stating that the Development is located within the boundaries of a political subdivision which does not have a zoning ordinance;

- (C) a letter from the chief executive officer of the political subdivision or another local official with appropriate jurisdiction stating the Development is permitted under the provision of the zoning ordinance that apply to the location of the Development or that there is not a zoning requirement.
 - (20) Evidence of the availability of utilities;
 - (21) Copies of any deed restrictions which may encumber the Property;
 - (22) A Phase I Environmental Site Assessment performed in accordance with the Department's Environmental Site Assessment Rules and Guidelines (§1.35 of this title);
 - (23) Title search or title commitment;
 - (24) Current tax assessor's valuation or tax bill;
 - (25) For existing Developments, current insurance bills;
 - (26) For existing Developments, past two (2) fiscal year end development operating statements;
 - (27) For existing Developments, current rent rolls;
 - (28) For existing Developments, substantiation that income-based tenancy requirements will be met prior to closing;
 - (29) A market study performed in accordance with the Department's Market Analysis Rules and Guidelines (§1.33 of this title);
 - (30) Appraisal of the existing or proposed Development performed in accordance with the Department's Underwriting Rules and Guidelines (§1.32 of this title);
 - (31) Statement that the Development Owner will accept tenants with Section 8 or other government housing assistance;
 - (32) An organizational chart showing the structure of the Applicant and the ownership structure of any principals of the Applicant;
 - (33) Evidence that the Applicant and principals are registered with the Texas Secretary of State, as applicable;
 - (34) Organizational documents such as partnership agreements and articles of incorporation, as applicable, for the Applicant and its principals;
 - (35) Documentation of non-profit status if applicable;
 - (36) Evidence of good standing from the Comptroller of Public Accounts of the State of Texas for the Applicant and its principals;
 - (37) Corporate resumes and individual resumes of the Applicant and any principals;
 - (38) Latest two (2) annual financial statements and current interim financial statement for the Applicant and its principals;
 - (39) Latest income tax filings for the Applicant and its principals;
 - (40) Resolutions or other documentation indicating that the transaction has been approved by the general partner;
 - (41) Resumes of the general contractor's and the property manager's experience; and
 - (42) Such other items deemed necessary by the Department per individual application.
- (g) Evaluation Criteria. The Department will evaluate the Development for eligibility at the time of pre-application, and at the time of final Application. If there are changes to the Application that have an adverse affect on the score and ranking order and that would have resulted in the Application being placed below another Application in the ranking, the Department will terminate the Application and return the reservation to the Texas Bond Review Board (with the exception of changes to deferred developer's fees and support or opposition point). The Development and the Applicant must satisfy the conditions set out in paragraphs (1) through (6) of this subsection in order for a Development to be considered eligible:
- (1) The proposed Development must further the public purposes of the Department as identified in the Act.

- (2) The proposed Development and the Applicant and its principals must satisfy the Department's Underwriting Rules and Guidelines (§1.32 of this title). The pre-application must include sufficient information for the Department to establish that the Underwriting Guidelines can be satisfied. The final Application will be thoroughly underwritten according to the Underwriting Rules and Guidelines (§1.32 of this title).
 - (3) The Development must not be located on a site determined to be unacceptable for the intended use by the Department.
 - (4) Any Development in which the Applicant or principals of the Applicant have an ownership interest must be found not to be in Material Non-Compliance under the compliance Rules in effect at the time of pre-application submission. Any corrective action documentation affecting the Material Non-compliance status score must be submitted to the Department no later than thirty (30) days prior to final application submission.
 - (5) Neither the Applicant nor any principals of the Applicant is, at the time of Application:
 - (A) barred, suspended, or terminated from procurement in a state or federal program or listed in the List of Parties Excluded from Federal Procurement or Non-Procurement Programs; or
 - (B) has been convicted of a state or federal crime involving fraud, bribery, theft, misrepresentation, misappropriation of funds, or other similar criminal offenses within fifteen (15) years; or
 - (C) is subject to enforcement action under state or federal securities law, action by the NASD, subject to a federal tax lien, or the subject of an enforcement proceeding with any governmental entity; or
 - (D) neither applicant nor any principals of the applicant have a development under their ownership or control with a Material Non-compliance score of 30 or more; or
 - (E) otherwise disqualified or debarred from participation in any of the Department's programs.
 - (6) Neither the Applicant nor any of its principals may have provided any fraudulent information, knowingly false documentation or other intentional or negligent misrepresentation in the Application or other information submitted to the Department.
- (h) **Bond Documents.** After receipt of the final Application, bond counsel for the Department shall draft Bond documents which conform to the state and federal laws and regulations which apply to the transaction.
- (i) **Public Hearings; Board Decisions.** For every Bond issuance, the Department will hold a public hearing in accordance with §2306.0661, Texas Government Code and §147(f) of the Code, in order to receive comments from the public pertaining to the Development and the issuance of the Bonds. Publication of all notices required for the public hearing shall be at the sole expense of the Applicant. The Board's decisions on approvals of proposed Developments will consider all relevant matters. Any topics or matters, alone or in combination, may or may not determine the Board's decision. The Department's Board will consider the following topics in relation to the approval of a proposed Development:
- (1) The Development Owner market study;
 - (2) The location, including supporting broad geographic dispersion;
 - (3) The compliance history of the Development Owner;
 - (4) The financial feasibility;
 - (5) The Development's proposed size and configuration in relation to the housing needs of the community in which the Development is located and the needs of the area, region and state;
 - (6) The Development's proximity to other low income Developments including avoiding over concentration;

- (7) The availability of adequate public facilities and services;
 - (8) The anticipated impact on local school districts, giving due consideration to the authorized land use;
 - (9) Zoning and other land use considerations;
 - (10) Fair Housing law, including affirmatively furthering fair housing;
 - (11) Any matter considered by the Board to be relevant to the approval decision and in furtherance of the Department's purposes and the policies of Chapter 2306, Texas Government Code.
- (j) Approval of the Bonds.
- (1) Subject to the timely receipt and approval of commitments for financing, an acceptable evaluation for eligibility, the satisfactory negotiation of Bond documents, and the completion of a public hearing, the Board, upon presentation by the Department's staff, will consider the approval of the Bond issuance, final Bond documents and, in the instance of privately placed Bonds, the pricing of the Bonds. The process for appeals and grounds for appeals may be found under §§1.7 and 1.8 of this title. The Department's conduit housing transactions will be processed in accordance with the Texas Bond Review Board rules Title 34, Part 9, Chapter 181, Subchapter A. The Bond issuance must receive an approving opinion from the Department's bond counsel with respect to the legality and validity of the Bonds and the security therefore, and in the case of tax-exempt Bonds, with respect to the excludability from gross income for federal income tax purposes of interest on the Bonds.
 - (2) Alternative Dispute Resolution Policy. In accordance with Section 2306.082, Texas Government Code, it is the Department's policy to encourage the use of appropriate alternative dispute resolution procedures ("ADR") under the Governmental Dispute Resolution Act, Chapter 2009, Texas Government Code, to assist in resolving disputes under the Department's jurisdiction. As described in Chapter 154, Civil Practices and Remedies Code, ADR procedures include mediation. Except as prohibited by the Department's ex parte communications policy, the Department encourages informal communications between Department staff and applicants, and other interested persons, to exchange information and informally resolve disputes. The Department also has administrative appeals processes to fairly and expeditiously resolve disputes. If at anytime an applicant or other person would like to engage the Department in an ADR procedure, the person may send a proposal to the Department's Dispute Resolution Coordinator (fax: (512) 475-3978). For additional information on the Department's ADR Policy, see the Department's General Administrative Rule on ADR at 10 Texas Administrative Code §1.17.
- (k) Local Permits. Prior to the closing of the Bonds, all necessary approvals, including building permits, from local municipalities, counties, or other jurisdictions with authority over the Development must have been obtained or evidence that the permits are obtainable subject only to payment of certain fees must be provided to the Department.
- (l) Closing. Once all approvals have been obtained and Bond documents have been finalized to the respective parties' satisfaction, the Bond transaction will close. Upon satisfaction of all conditions precedent to closing, the Department will issue Bonds in exchange for payment thereof. The Department will then loan the proceeds of the Bonds to the Applicant and disbursements of the proceeds may begin.
- § 35.7. Regulatory and Land Use Restrictions.
- (a) Filing and Term of LURA. A Regulatory and Land Use Restriction Agreement or other similar instrument (the "LURA"), will be filed in the property records of the county in which the

Development is located for each Development financed from the proceeds of Bonds issued by the Department. For Developments involving new construction, the term of the LURA will be the longer of 30 years, the period of guaranteed affordability or the period for which Bonds are outstanding. For the financing of an existing Development, the term of the LURA will be the longer of the longest period which is economically feasible in accordance with the Act, or the period for which Bonds are outstanding.

- (b) **Development Occupancy.** The LURA will specify occupancy restrictions for each Development based on the income of its tenants, and will restrict the rents that may be charged for Units occupied by tenants who satisfy the specified income requirements. Pursuant to §2306.269, Texas Government Code, the LURA will prohibit a Development Owner from excluding an individual or family from admission to the Development because the individual or family participates in the housing choice voucher program under Section 8, United States Housing Act of 1937 (the "Housing Act"), and from using a financial or minimum income standard for an individual or family participating in the voucher program that requires the individual or family to have a monthly income of more than two and one half (2.5) times the individual's or family's share of the total monthly rent payable to the Development Owner of the Development. Development occupancy requirements must be met on or prior to the date on which Bonds are issued unless the Development is under construction. Adequate substantiation that the occupancy requirements have been met, in the sole discretion of the Department, must be provided prior to closing. Occupancy requirements exclude Units for managers and maintenance personnel that are reasonably required by the Development.
- (c) **Set Asides.**
 - (1) Developments which are financed from the proceeds of Private Activity Bonds or from the proceeds of Qualified 501(c)(3) Bonds must be restricted under one of the following two set-asides:
 - (A) at least twenty percent (20%) of the Units within the Development that are available for occupancy shall be occupied or held vacant and available for occupancy at all times by persons or families whose income does not exceed fifty percent (50%) of the area median income, or
 - (B) at least forty percent (40%) of the Units within the Development that are available for occupancy shall be occupied or held vacant and available for occupancy at all times by persons or families whose income does not exceed sixty percent (60%) of the area median income.
 - (2) The Development Owner must designate at the time of Application which of the two set-asides will apply to the Development and must also designate the selected priority for the Development in accordance with §1372.0321, Texas Government Code. Units intended to satisfy set-aside requirements must be distributed evenly throughout the Development, and must include a reasonably proportionate amount of each type of Unit available in the Development.
 - (3) No tenant qualifying under either of the set-asides shall be denied continued occupancy of a Unit in the Development because, after commencement of such occupancy, such tenant's income increases to exceed the qualifying limit; provided, however, that, should a tenant's income, as of the most recent determination thereof, exceed 140% of the then applicable income limit and such tenant constitutes a portion of the set-aside requirement of this section, then such tenant shall only continue to qualify for so long as no Unit of comparable or smaller size is rented to a tenant that does not qualify as a Low-Income Tenant. (These are the federal set-aside requirements)
- (d) **Global Income Requirement.** All of the Units that are available for occupancy in Developments financed from the proceeds of Private Activity Bonds or from the proceeds of Qualified 501(c)(3) Bonds shall be occupied or held vacant (in the case of new construction)

and available for occupancy at all times by persons or families whose income does not exceed one hundred and forty percent (140%) of the area median income for a four-person household.

- (e) **Qualified 501(c)(3) Bonds.** Developments which are financed from the proceeds of Qualified 501(c)(3) Bonds are further subject to the restriction that at least seventy-five percent (75%) of the Units within the Development that are available for occupancy shall be occupied (or, in the case of new construction, held vacant and available for occupancy until such time as initial lease-up is complete) at all times by individuals and families of Low Income (less than or equal to 80% of AMFI).
- (f) **Taxable Bonds.** The occupancy requirements for Developments financed from the issuance of taxable Bonds will be negotiated, considered and approved by the Department on a case by case basis.
- (g) **Special Needs.** At least five percent (5%) of the Units within each Development must be designed to be accessible to Persons with Special Needs and hardware and cabinetry must be stored on site or provided to be installed on an as needed basis in such Units. The Development will comply with accessibility requirements in the Fair Housing Act Design manual. The Development Owner will use its best efforts (including giving preference to Persons with Special Needs) to:
 - (1) make at least five percent (5%) of the Units within the Development available for occupancy by Persons with Special Needs;
 - (2) make reasonable accommodations for such persons; and
 - (3) allow reasonable modifications at the tenant's sole expense pursuant to the Housing Act. During the term of the LURA, the Development Owner shall maintain written policies regarding the Development Owner's outreach and marketing program to Persons with Special Needs.
- (h) **Fair Housing.** All Developments financed by the Department must comply with the Fair Housing Act which prohibits discrimination in the sale, rental, and financing of dwellings based on race, color, religion, sex, national origin, familial status, and disability. The Fair Housing Act also mandates specific design and construction requirements for multifamily housing built for first occupancy after March 13, 1991, in order to provide accessible housing for individuals with disabilities.
- (i) **Tenant Services.** The LURA will require that the Development Owner offer a variety of services for residents of the Development through a Tenant Services Program Plan which is subject to annual approval by the Department.
- (j) **The LURA will require the Development Owner:**
 - (1) To obtain, complete and maintain on file Tenant Income Certifications from each Eligible Tenant, including:
 - (A) a Tenant Income Certification dated immediately prior to the initial occupancy of each new Eligible Tenant in the Development; and
 - (B) thereafter, annual Tenant Income Certifications which must be obtained on or before the anniversary of such Eligible Tenant's occupancy of the Unit, and in no event less than once in every 12-month period following each Eligible Tenant's occupancy of a Unit in the Development. For administrative convenience, the Development Owner may establish the first date that a Tenant Income Certification for the Development is received as the annual recertification date for all tenants. The Development Owner will obtain such additional information as may be required in the future by §142(d) of

the Code, as the same may be amended from time to time, or in such other form and manner as may be required by applicable rules, rulings, policies, procedures, Regulations or other official statements now or hereafter promulgated, proposed or made by the Department of the Treasury or the Internal Revenue Service with respect to obligations which are tax-exempt private activity bonds described in §142(d) of the Code. The Development Owner shall make a diligent and good-faith effort to determine that the income information provided by an applicant in a Tenant Income Certification is accurate by taking steps required under §142(d) of the Code pursuant to provisions of the Housing Act.

- (C) The Development shall comply with Title 10, Part 1, Chapter 60, Subchapter A.
- (2) As part of the verification, such steps may include the following, provided such action meets the requirements of §142(d) of the Code and the gross income of individuals shall be determined in a manner consistent with the determinations of low income families under section 8 of the United States Housing Act of 1937:
 - (A) obtain pay stubs sufficient to annualize income;
 - (B) obtain third party written verification of income;
 - (C) obtain an income verification from the applicant's current employer;
 - (D) obtain an income verification from the Social Security Administration; or
 - (E) if the applicant is self-employed, unemployed, does not have income tax returns or is otherwise not reasonably able to provide other forms of verification as required above, obtain another form of independent verification as would, in the Development Owner's reasonable commercial judgment, enable the Development Owner to determine the accuracy of the applicant's income information. The Development Owner shall retain all Tenant Income Certifications obtained in compliance with this subsection (b) of this section until the date that is six years after the last Bond is retired.
- (3) To obtain from each tenant in the Development, at the time of execution of the lease pertaining to the Unit occupied by such tenant, a written certification, acknowledgment and acceptance in such form as provided by the Department to the Development Owner from time to time that
 - (A) such lease is subordinate to the Mortgage and the LURA;
 - (B) all statements made in the Tenant Income Certification submitted by such tenant are accurate;
 - (C) the family income and eligibility requirements of the LURA and the Loan Agreement are substantial and material obligations of tenancy in the Development;
 - (D) such tenant will comply promptly with all requests for information with respect to such requirements from the Development Owner, the Trustee and the Department; and
 - (E) failure to provide accurate information in the Tenant Income Certification or refusal to comply with a request for information with respect thereto will constitute a violation of a substantial obligation of the tenancy of such tenant in the Development;
- (4) To maintain complete and accurate records pertaining to the Low-Income Units and to permit, at all reasonable times during normal business hours and upon reasonable notice, any duly authorized representative of the Department, the Trustee, the Department of the Treasury or the Internal Revenue Service to enter upon the Development Site to examine and inspect the Development and to inspect the books and records of the Development Owner pertaining to the Development, including those records pertaining to the occupancy of the Low-Income Units;
- (5) On or before each February 15 during the qualified development period, to submit to the Department (to the attention of the Portfolio Management and Compliance Division) a draft of the completed Internal Revenue Service Form 8703 or such other annual certification required by the Code to be submitted to the Secretary of the Treasury as to whether the

Development continues to meet the requirements of §142(d) of the Code and on or before each March 31 during the qualified development period, to submit such completed form to the Secretary of the Treasury and the Department;

- (6) To prepare and submit the compliance monitoring report. To cause to be prepared and submitted to the Department and the Trustee on the first day of the state restrictive period, and thereafter by the tenth calendar day of each March, June, September, and December, or other quarterly schedule as determined by the Department with written notice to the Development Owner, a certified compliance monitoring report and Development Owner's certification in such form as provided by the Departments to the Development Owner from time to time; and
- (7) To provide regular maintenance to keep the Development sanitary, decent and safe.
- (8) To establish a reserve account consistent with the requirements of §2306.186, Texas Government Code.
- (9) To prepare and submit the Housing Sponsor Report to the Department no later than March 1st of each year.

§35.8. Fees.

- (a) Application and Issuance Fees. The Department shall set fees to be paid by the Applicant in order to cover the costs of pre-application review, Application and Development review, the Department's expenses in connection with providing financing for a Development, and as required by law. (§1372.006(a), Texas Government Code)
- (b) Administration and Portfolio Management and Compliance Fees. The Department shall set ongoing fees to be paid by Development Owners to cover the Department's costs of administering the Bonds and portfolio management and compliance with the program requirements applicable to each Development.

§35.9. Waiver of Rules

Provided all requirements of the Act, the Code, and any other applicable law are met, the Board may waive any one or more of the Rules set forth in §§35.3 through 35.8 of this title relating to the Multifamily Housing Revenue Bond Program in order to further the purposes and the policies of Chapter 2306, Texas Government Code; to encourage the acquisition, construction, reconstruction, or rehabilitation of a Development that would provide decent, safe, and sanitary housing, including, but not limited to, providing such housing in economically depressed or blighted areas, or providing housing designed and equipped for Persons with Special Needs; or for other good cause, as determined by the Board.

§35.10. No Discrimination

The Department and its staff or agents, Applicants, Development Owners, and any participants in the Program shall not discriminate under this Program against any person or family on the basis of race, creed, national origin, age, religion, handicap, family status, or sex, or against persons or families on the basis of their having minor children, except that nothing herein shall be deemed to preclude a Development Owner from selecting tenants with Special Needs, or to preclude a Development Owner from selecting tenants based on income in renting Units to comply with the set asides under the provisions of this Chapter.



Multifamily Finance Production Division

**2005 Housing Tax Credit Program
Qualified Allocation Plan and Rules with Emergency Amendments
As Modified and Approved by Governor Rick Perry**

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§49.1. Purpose, Program Statement, Allocation Goals.

(a) **Purpose.** The Rules in this chapter apply to the allocation by the Texas Department of Housing and Community Affairs (the Department) of Housing Tax Credits authorized by applicable federal income tax laws. The Internal Revenue Code of 1986, §42, as amended, provides for credits against federal income taxes for owners of qualified low income rental housing Developments. That section provides for the allocation of the available tax credit amount by state housing credit agencies. Pursuant to Executive Order AWR-92-3 (March 4, 1992), the Department was authorized to make Housing Credit Allocations for the State of Texas. As required by the Internal Revenue Code, §42(m)(1), the Department developed this Qualified Allocation Plan (QAP) which is set forth in §§49.1 through 49.23 of this title. Sections in this chapter establish procedures for applying for and obtaining an allocation of Housing Tax Credits, along with ensuring that the proper threshold criteria, selection criteria, priorities and preferences are followed in making such allocations.

(b) **Program Statement.** The Department shall administer the program to encourage the development and preservation of appropriate types of rental housing for households that have difficulty finding suitable, accessible, affordable rental housing in the private marketplace; maximize the number of suitable, accessible, affordable residential rental units added to the state's housing supply; prevent losses for any reason to the state's supply of suitable, accessible, affordable residential rental units by enabling the rehabilitation of rental housing or by providing other preventive financial support; and provide for the participation of for-profit organizations and provide for and encourage the participation of nonprofit organizations in the acquisition, development and operation of accessible affordable housing developments in rural and urban communities. (2306.6701)

(c) **Allocation Goals.** It shall be the goal of this Department and the Board, through these provisions, to encourage diversity through broad geographic allocation of tax credits within the state, and in accordance with the regional allocation formula, and to promote maximum utilization of the available tax credit amount. The processes and criteria utilized to realize this goal are described in §§49.8 and 49.9 of this title, without in any way limiting the effect or applicability of all other provisions of this title.

§49.2. Coordination with Rural Agencies.

To assure maximum utilization and optimum geographic distribution of tax credits in rural areas, and to achieve increased sharing of information, reduction of processing procedures, and fulfillment of Development compliance requirements in rural areas, the Department has entered into a Memorandum of Understanding (MOU) with the TX-USDA-RHS to coordinate on existing, rehabilitated, and new construction housing Developments financed by TX-USDA-RHS; and will jointly administer the Rural Regional Allocation with the Texas Office of Rural Community Affairs (ORCA). ORCA will assist in developing all Threshold, Selection and Underwriting Criteria applied to Applications eligible for the Rural Regional Allocation. The Criteria will be approved by that Agency. To ensure that the Rural Regional Allocation receives a sufficient volume of eligible Applications, the Department and ORCA shall jointly implement outreach, training, and rural area capacity building efforts. (2306.6723)

§49.3. Definitions.

The following words and terms, when used in this chapter, shall have the following meanings, unless the context clearly indicates otherwise.

(1) **Administrative Deficiencies** - The absence of information or a document from the Application which is important to a review and scoring of the Application as is required under §§49.8(d) and 49.9(e), (f) and (g) of this title.

(2) **Affiliate** - An individual, corporation, partnership, joint venture, limited liability company, trust, estate, association, cooperative or other organization or entity of any nature whatsoever that directly, or indirectly through one or more intermediaries, Controls, is Controlled by, or is under common Control with any other Person, and specifically shall include parents or subsidiaries. Affiliates also include all General Partners, Special Limited Partners and Principals with at least a 10% ownership interest.

(3) **Agreement and Election Statement** - A document in which the Development Owner elects, irrevocably, to fix the Applicable Percentage with respect to a building or buildings, as that in effect for the month in which the Department and the Development Owner enter into a binding agreement as to the housing credit dollar amount to be allocated to such building or buildings.

(4) **Applicable Fraction** - The fraction used to determine the Qualified Basis of the qualified low income building, which is the smaller of the Unit fraction or the floor space fraction, all determined as provided in the Code, §42(c)(1).

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(5) **Applicable Percentage** - The percentage used to determine the amount of the Housing Tax Credit, as defined more fully in the Code, §42(b).

(A) For purposes of the Application, the Applicable Percentage will be projected at 10 basis points above the greater of:

(i) the current applicable percentage for the month in which the Application is submitted to the Department, or

(ii) the trailing 1-year, 2-year or 3-year average rate in effect during the month in which the Application is submitted to the Department.

(B) For purposes of making a credit recommendation at any other time, the Applicable Percentage will be based in order of priority on:

(i) The percentage indicated in the Agreement and Election Statement, if executed; or

(ii) The actual applicable percentage as determined by the Code, §42(b), if all or part of the Development has been placed in service and for any buildings not placed in service the percentage will be the actual percentage as determined by Code, §42(b) for the most current month; or

(iii) The percentage as calculated in subparagraph (A) of this paragraph if the Agreement and Election Statement has not been executed and no buildings have been placed in service.

(6) **Applicant** - Any Person or Affiliate of a Person who files a Pre-Application or an Application with the Department requesting a Housing Credit Allocation. (2306.6702)

(7) **Application** - An application, in the form prescribed by the Department, filed with the Department by an Applicant, including any exhibits or other supporting material. (2306.6702)

(8) **Application Acceptance Period** - That period of time during which Applications for a Housing Credit Allocation from the State Housing Credit Ceiling may be submitted to the Department as more fully described in §§49.9(a) and 49.21 of this title. For Tax Exempt Bond Developments this period is that period of time prior to the deadline stated in §49.12 of this title.

(9) **Application Round** - The period beginning on the date the Department begins accepting Applications for the State Housing Credit Ceiling and continuing until all available Housing Tax Credits from the State Housing Credit Ceiling (as stipulated by the Department) are allocated, but not extending past the last day of the calendar year. (2306.6702)

(10) **Application Submission Procedures Manual** - The manual produced and amended from time to time by the Department which sets forth procedures, forms, and guidelines for the filing of Pre-Applications and Applications for Housing Tax Credits.

(11) **Area Median Gross Income (AMGI)** - Area median gross household income, as determined for all purposes under and in accordance with the requirements of the Code, §42.

(12) **At-Risk Development** - a Development that:

(A) has received the benefit of a subsidy in the form of a below-market interest rate loan, interest rate reduction, rental subsidy, Section 8 housing assistance payment, rental supplement payment, rental assistance payment, or equity incentive under the following federal laws, as applicable:

(i) Sections 221(d)(3) and (5), National Housing Act (12 U.S.C. Section 17151);

(ii) Section 236, National Housing Act (12 U.S.C. Section 1715z-1);

(iii) Section 202, Housing Act of 1959 (12 U.S.C. Section 1701q);

(iv) Section 101, Housing and Urban Development Act of 1965 (12 U.S.C. Section 1701s);

(v) the Section 8 Additional Assistance Program for housing developments with HUD-Insured and HUD-Held Mortgages administered by the United States Department of Housing and Urban Development;

(vi) the Section 8 Housing Assistance Program for the Disposition of HUD-Owned Projects administered by the United States Department of Housing and Urban Development;

(vii) Sections 514, 515, and 516, Housing Act of 1949 (42 U.S.C. Sections 1484, 1485, and 1486);

and

(viii) Section 42, of the Internal Revenue Code of 1986 (26 U.S.C. Section 42), and

(B) is subject to the following conditions:

(i) the stipulation to maintain affordability in the contract granting the subsidy is nearing expiration (expiration will occur within two calendar years of July 31 of the year the Application is submitted); or

(ii) the federally insured mortgage on the Development is eligible for prepayment or is nearing the end of its mortgage term (the term will end within two calendar years of July 31 of the year the Application is submitted).

(C) An Application for a Development that includes the demolition of the existing Units which have received the financial benefit described in subparagraph (A) of this paragraph will not qualify as an At-Risk Development unless the redevelopment will include the same site.

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(D) Developments must be at risk of losing all affordability on the site. However, Developments that have an opportunity to retain or renew any of the financial benefit described in subparagraph (A) of this paragraph must retain or renew all possible financial benefit to qualify as an At-Risk Development. (2306.6702)

(13) **Bedroom** - A portion of a Unit set aside for sleeping which is no less than 100 square feet; has no width or length less than 8 feet; has at least one window that provides exterior access; and has at least one closet that is not less than 2 feet deep and 3 feet wide and high enough to accommodate 5 feet of hanging space.

(14) **Board** - The governing Board of the Department. (2306.004)

(15) **Carryover Allocation** - An allocation of current year tax credit authority by the Department pursuant to the provisions of the Code, §42(h)(1)(E) and Treasury Regulations, §1.42-6.

(16) **Carryover Allocation Document** - A document issued by the Department, and executed by the Development Owner, pursuant to §49.14 of this title.

(17) **Carryover Allocation Procedures Manual** - The manual produced and amended from time to time by the Department which sets forth procedures, forms, and guidelines for filing Carryover Allocation requests.

(18) **Code** - The Internal Revenue Code of 1986, as amended from time to time, together with any applicable regulations, rules, rulings, revenue procedures, information statements or other official pronouncements issued thereunder by the United States Department of the Treasury or the Internal Revenue Service.

(19) **Colonia** - A geographic area located in a county some part of which is within 150 miles of the international border of this state and that:

(A) has a majority population composed of individuals and families of low income and very low income, based on the federal Office of Management and Budget poverty index, and meets the qualifications of an economically distressed area under §17.921, Water Code; or

(B) has the physical and economic characteristics of a colonia, as determined by the Texas Water Development Board.

(20) **Commitment Notice** - A notice issued by the Department to a Development Owner pursuant to §49.13 of this title and also referred to as the "commitment."

(21) **Compliance Period** - With respect to a building, the period of 15 taxable years, beginning with the first taxable year of the Credit Period pursuant to the Code, §42(i)(1).

(22) **Control** - (including the terms "Controlling," "Controlled by", and/or "under common Control with") the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of any Person, whether through the ownership of voting securities, by contract or otherwise, including specifically ownership of more than 50% of the General Partner interest in a limited partnership, or designation as a managing General Partner of a limited liability company.

(23) **Cost Certification Procedures Manual** - The manual produced and amended from time to time by the Department which sets forth procedures, forms, and guidelines for filing requests for IRS Form(s) 8609 for Developments placed in service under the Housing Tax Credit Program.

(24) **Credit Period** - With respect to a building within a Development, the period of ten taxable years beginning with the taxable year the building is placed in service or, at the election of the Development Owner, the succeeding taxable year, as more fully defined in the Code, §42(f)(1).

(25) **Department** - The Texas Department of Housing and Community Affairs, an agency of the State of Texas, established by Chapter 2306, Texas Government Code, including Department employees and/or the Board. (2306.004)

(26) **Determination Notice** - A notice issued by the Department to the Development Owner of a Tax Exempt Bond Development which states that the Development may be eligible to claim Housing Tax Credits without receiving an allocation of Housing Tax Credits from the State Housing Credit Ceiling because it satisfies the requirements of this QAP; sets forth conditions which must be met by the Development before the Department will issue the IRS Form(s) 8609 to the Development Owner; and specifies the Department's determination as to the amount of tax credits necessary for the financial feasibility of the Development and its viability as a rent restricted Development throughout the affordability period.

(27) **Developer** - Any Person entering into a contract with the Development Owner to provide development services with respect to the Development and receiving a fee for such services (which fee cannot exceed 15% of the Eligible Basis) and any other Person receiving any portion of such fee, whether by subcontract or otherwise.

(28) **Development** - A proposed qualified low income housing project, for new construction or rehabilitation, as defined by the Code, §42(g), that consists of one or more buildings containing multiple Units, and that, if the Development shall consist of multiple buildings, is financed under a common plan and is owned by the same Person for federal tax purposes, and the buildings of which are either:

(A) located on a single site or contiguous site; or

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(B) located on scattered sites and contain only rent-restricted units. (2306.6702)

(29) **Development Consultant** - Any Person (with or without ownership interest in the Development) who provides professional services relating to the filing of an Application, Carryover Allocation Document, and/or cost certification documents.

(30) **Development Owner** - Any Person, General Partner, or Affiliate of a Person who owns or proposes a Development or expects to acquire Control of a Development under a purchase contract approved by the Department. (2306.6702)

(31) **Development Team** - All Persons or Affiliates thereof that play a role in the development, construction, rehabilitation, management and/or continuing operation of the subject Property, which will include any Development Consultant and Guarantor.

(32) **Economically Distressed Area** - Consistent with §17.921 of Texas Water Code, an area in which:

(A) water supply or sewer services are inadequate to meet minimal needs of residential users as defined by Texas Water Development Board rules;

(B) financial resources are inadequate to provide water supply or sewer services that will satisfy those needs; and

(C) an established residential subdivision was located on June 1, 1989, as determined by the Texas Water Development Board.

(33) **Eligible Basis** - With respect to a building within a Development, the building's Eligible Basis as defined in the Code, §42(d).

(34) **Executive Award and Review Advisory Committee ("The Committee")** - A Departmental committee that will make funding and commitment recommendations to the Board based upon the evaluation of an Application in accordance with the housing priorities as set forth in Chapter 2306 of the Texas Government Code, and as set forth herein, and the ability of an Applicant to meet those priorities. (2306.6702)

(35) **Extended Housing Commitment** - An agreement between the Department, the Development Owner and all successors in interest to the Development Owner concerning the extended housing use of buildings within the Development throughout the extended use period as provided in the Code, §42(h)(6). The Extended Housing Commitment with respect to a Development is expressed in the LURA applicable to the Development.

(36) **General Contractor** - One who contracts for the construction or rehabilitation of an entire Development, rather than a portion of the work. The General Contractor hires subcontractors, such as plumbing contractors, electrical contractors, etc., coordinates all work, and is responsible for payment to the subcontractors. This party may also be referred to as the "contractor."

(37) **General Partner** - That partner, or collective of partners, identified as the general partner of the partnership that is the Development Owner and that has general liability for the partnership. In addition, unless the context shall clearly indicate the contrary, if the Development Owner in question is a limited liability company, the term "General Partner" shall also mean the managing member or other party with management responsibility for the limited liability company.

(38) **Governmental Entity** - Includes federal or state agencies, departments, boards, bureaus, commissions, authorities, and political subdivisions, special districts and other similar entities.

(39) **Guarantor** - Means any Person that provides, or is anticipated to provide, a guaranty for the equity or debt financing for the Development.

(40) **Historic Development** - A residential Development that has received a historic property designation by a federal, state or local government entity.

(41) **Historically Underutilized Businesses (HUB)** - Any entity defined as a historically underutilized business with its principal place of business in the State of Texas in accordance with Chapter 2161, Texas Government Code.

(42) **Housing Credit Agency** - A Governmental Entity charged with the responsibility of allocating Housing Tax Credits pursuant to the Code, §42. For the purposes of this title, the Department is the sole "Housing Credit Agency" of the State of Texas.

(43) **Housing Credit Allocation** - An allocation by the Department to a Development Owner of Housing Tax Credit in accordance with the provisions of this title.

(44) **Housing Credit Allocation Amount** - With respect to a Development or a building within a Development, that amount the Department determines to be necessary for the financial feasibility of the Development and its viability as a Development throughout the affordability period and which it allocates to the Development.

(45) **Housing Tax Credit ("tax credits")** - A tax credit allocated, or for which a Development may qualify, under the Housing Tax Credit Program, pursuant to the Code, §42. (2306.6702)

(46) **HUD** - The United States Department of Housing and Urban Development, or its successor.

(47) **Ineligible Building Types** - Those Developments which are ineligible, pursuant to this QAP, for funding under the Housing Tax Credit Program, as follows:

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(A) Hospitals, nursing homes, trailer parks, dormitories (or other buildings that will be predominantly occupied by students) or other facilities which are usually classified as transient housing (other than certain specific types of transitional housing for the homeless and single room occupancy units, as provided in the Code, §§42(i)(3)(B)(iii) and (iv)) are not eligible. However, structures formerly used as hospitals, nursing homes or dormitories are eligible for Housing Tax Credits if the Development involves the conversion of the building to a non-transient multifamily residential development.

(B) Any Qualified Elderly Development of two stories or more that does not include elevator service for any Units or living space above the first floor.

(C) Any Qualified Elderly Development with any Units having more than two bedrooms.

(D) Any Development with building(s) with four or more stories that does not include an elevator.

(E) Any Development proposing new construction, other than a Development (new construction or rehabilitation) composed entirely of single-family dwellings, having any Units with four or more bedrooms.

(F) Any Development that violates the Integrated Housing Policy of the Department.

(G) Any Development involving any new construction of additional Units (other than a Qualified Elderly Development, a single family development or a transitional housing development) in which any of the designs in clauses (i) through (iii) of this subparagraph are proposed. For purposes of this limitation, a den, study or other similar space that could reasonably function as a bedroom will be considered a bedroom. An Application may reflect a total of Units for a given bedroom size greater than the percentages stated below to the extent that the increase is only to reach the next highest number divisible by four.

(i) more than 60% of the total Units are one bedroom Units; or

(ii) more than 45% of the total Units are two bedroom Units; or

(iii) more than 35% of the total Units are three bedroom Units.

(48) IRS - The Internal Revenue Service, or its successor.

(49) **Land Use Restriction Agreement (LURA)** - An agreement between the Department and the Development Owner which is binding upon the Development Owner's successors in interest, that encumbers the Development with respect to the requirements of this chapter, Chapter 2306, Texas Government Code, and the requirements of the Code, §42. (2306.6702)

(50) **Material Non-Compliance** As defined in 10 TAC Section 60.1.

(51) **Minority Owned Business** - A business entity at least 51% of which is owned by members of a minority group or, in the case of a corporation, at least 51% of the shares of which are owned by members of a minority group, and that is managed and Controlled by members of a minority group in its daily operations. Minority group includes women, African Americans, American Indians, Asian Americans, and Mexican Americans and other Americans of Hispanic origin. (2306.6734)

(52) **ORCA** - Office of Rural Community Affairs, as established by Chapter 487 of Texas Government Code. (2306.6702)

(53) **Person** - Means, without limitation, any natural person, corporation, partnership, limited partnership, joint venture, limited liability company, trust, estate, association, cooperative, government, political subdivision, agency or instrumentality or other organization or entity of any nature whatsoever and shall include any group of Persons acting in concert toward a common goal, including the individual members of the group.

(54) **Persons with Disabilities** - A person who:

(A) has a physical, mental or emotional impairment that:

(i) is expected to be of a long, continued and indefinite duration,

(ii) substantially impedes his or her ability to live independently, and

(iii) is of such a nature that the disability could be improved by more suitable housing conditions,

(B) has a developmental disability, as defined in the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. Section 15002), or

(C) has a disability, as defined in 24 CFR §5.403.

(55) **Pre-Application** - A preliminary application, in a form prescribed by the Department, filed with the Department by an Applicant prior to submission of the Application, including any required exhibits or other supporting material, as more fully described in §§49.8 and 49.21 of this title.

(56) **Pre-Application Acceptance Period** - That period of time during which Pre-Applications for a Housing Credit Allocation from the State Housing Credit Ceiling may be submitted to the Department.

(57) **Principal** - the term Principal is defined as Persons that will exercise Control over a partnership, corporation, limited liability company, trust, or any other private entity. In the case of:

(A) partnerships, Principals include all General Partners and Special LP and Principals with at least 10% ownership interest;

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(B) corporations, Principals include any officer authorized by the board of directors to act on behalf of the corporation, including the president, vice president, secretary, treasurer and all other executive officers, and each stock holder having a ten percent or more interest in the corporation; and

(C) limited liability companies, Principals include all managing members, members having a ten percent or more interest in the limited liability company or any officer authorized to act on behalf of the limited liability company.

(58) **Prison Community** - A city or town which is located outside of a Metropolitan Statistical Area (MSA) or Primary Metropolitan Statistical Area (PMSA) and was awarded a state prison within the past five years.

(59) **Property** - The real estate and all improvements thereon which are the subject of the Application (including all items of personal property affixed or related thereto), whether currently existing or proposed to be built thereon in connection with the Application.

(60) **Qualified Allocation Plan (QAP)** -

(A) As defined in §42(m)(1)(B): Any plan which sets forth selection criteria to be used to determine housing priorities of the housing credit agency which are appropriate to local conditions; which also gives preference in allocating housing credit dollar amounts among selected projects to projects serving the lowest income tenants, projects obligated to serve qualified tenants for the longest periods, and projects which are located in qualified census tracts and the development of which contributes to a concerted community revitalization plan; and which provides a procedure that the agency (or an agent or other private contractor of such agency) will follow in monitoring for noncompliance with the provisions of §42 and in notifying the Internal Revenue Service of such noncompliance which such agency becomes aware of and in monitoring for noncompliance with habitability standards through regular site visits.

(B) As defined in Section 2306.6702, Texas Government Code: A plan adopted by the board under this subchapter that provides the threshold, scoring, and underwriting criteria based on housing priorities of the department that are appropriate to local conditions; provides a procedure for the department, the department's agent, or another private contractor of the department to use in monitoring compliance with the qualified allocation plan and this subchapter; and consistent with Section 2306.6710(e), gives preference in housing tax credit allocations to developments that, as compared to the other developments:

(i) when practicable and feasible based on documented, committed, and available third-party funding sources, serve the lowest income tenants per housing tax credit; and

(ii) produce for the longest economically feasible period the greatest number of high quality units committed to remaining affordable to any tenants who are income-eligible under the low income housing tax credit program.

(61) **Qualified Basis** - With respect to a building within a Development, the building's Eligible Basis multiplied by the Applicable Fraction, within the meaning of the Code, §42(c)(1).

(62) **Qualified Census Tract** - Any census tract which is so designated by the Secretary of HUD in accordance with the Code, §42(d)(5)(C)(ii).

(63) **Qualified Elderly Development** - A Development which meets the requirements of the federal Fair Housing Act and:

(A) is intended for, and solely occupied by, individuals 62 years of age or older; or

(B) is intended and operated for occupancy by at least one individual 55 years of age or older per Unit, where at least 80% of the total housing Units are occupied by at least one individual who is 55 years of age or older; and where the Development Owner publishes and adheres to policies and procedures which demonstrate an intent by the owner and manager to provide housing for individuals 55 years of age or older. (See 42 U.S.C. Section 3607(b)).

(64) **Qualified Market Analyst** - A real estate appraiser certified or licensed by the Texas Appraiser or Licensing and Certification Board or a real estate consultant or other professional currently active in the subject property's market area who demonstrates competency, expertise, and the ability to render a high quality written report. The individual's performance, experience, and educational background will provide the general basis for determining competency as a Market Analyst. Competency will be determined by the Department, in its sole discretion. The Qualified Market Analyst must be a Third Party.

(65) **Qualified Nonprofit Organization** - An organization that is described in the Code, §501(c)(3) or (4), as these cited provisions may be amended from time to time, that is exempt from federal income taxation under the Code, §501(a), that is not affiliated with or Controlled by a for profit organization, and includes as one of its exempt purposes the fostering of low income housing within the meaning of the Code, §42(h)(5)(C). A Qualified Nonprofit Organization may select to compete in one or more of the Set-Asides, including, but not limited to, the nonprofit Set-Aside, the At-Risk Development Set-Aside and the TX-USDA-RHS Allocation.

(66) **Qualified Nonprofit Development** - A Development in which a Qualified Nonprofit Organization (directly or through a partnership or wholly-owned subsidiary) holds a controlling interest, materially participates (within the meaning of the Code, §469(h), as it may be amended from time to time) in its

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development and operation throughout the Compliance Period, and otherwise meets the requirements of the Code, §42(h)(5). (2306.6729)

(67) **Reference Manual** - That certain manual, and any amendments thereto, produced by the Department which sets forth reference material pertaining to the Housing Tax Credit Program.

(68) **Related Party** - As defined,

(A) The following individuals or entities:

(i) the brothers, sisters, spouse, ancestors, and descendants of a person within the third degree of consanguinity, as determined by Chapter 573, Texas Government Code;

(ii) a person and a corporation, if the person owns more than 50 percent of the outstanding stock of the corporation;

(iii) two or more corporations that are connected through stock ownership with a common parent possessing more than 50 percent of:

(I) the total combined voting power of all classes of stock of each of the corporations that can vote;

(II) the total value of shares of all classes of stock of each of the corporations; or

(III) the total value of shares of all classes of stock of at least one of the corporations, excluding, in computing that voting power or value, stock owned directly by the other corporation;

(iv) a grantor and fiduciary of any trust;

(v) a fiduciary of one trust and a fiduciary of another trust, if the same person is a grantor of both trusts;

(vi) a fiduciary of a trust and a beneficiary of the trust;

(vii) a fiduciary of a trust and a corporation if more than 50 percent of the outstanding stock of the corporation is owned by or for:

(I) the trust; or

(II) a person who is a grantor of the trust;

(viii) a person or organization and an organization that is tax-exempt under the Code, §501(a), and that is controlled by that person or the person's family members or by that organization;

(ix) a corporation and a partnership or joint venture if the same persons own more than:

(I) 50 percent of the outstanding stock of the corporation; and

(II) 50 percent of the capital interest or the profits' interest in the partnership or joint venture;

(x) an S corporation and another S corporation if the same persons own more than 50 percent of the outstanding stock of each corporation;

(xi) an S corporation and a C corporation if the same persons own more than 50 percent of the outstanding stock of each corporation;

(xii) a partnership and a person or organization owning more than 50 percent of the capital interest or the profits' interest in that partnership; or

(xiii) two partnerships, if the same person or organization owns more than 50 percent of the capital interests or profits' interests.

Nothing in this definition is intended to constitute the Department's determination as to what relationship might cause entities to be considered "related" for various purposes under the Code.

(69) **Rules** - The Department's Housing Tax Credit Qualified Allocation Plan and Rules as presented in this title.

(70) **Rural Area** - An area that is located:

(A) outside the boundaries of a primary metropolitan statistical area or a metropolitan statistical area;

(B) within the boundaries of a primary metropolitan statistical area or a metropolitan statistical area, if the statistical area has a population of 20,000 or less and does not share a boundary with an urban area; or

(C) in an area that is eligible for new construction or rehabilitation funding by TX-USDA-RHS. (2306.6702)

(71) **Rural Development** - A Development located within a Rural Area and for which the Applicant applies for tax credits under the Rural Regional Allocation.

(72) **Selection Criteria** - Criteria used to determine housing priorities of the State under the Housing Tax Credit Program as specifically defined in §49.9(g) of this title.

(73) **Set-Aside** - A reservation of a portion of the available Housing Tax Credits to provide financial support for specific types of Applications or Applicants as required by the Qualified Allocation Plan on a priority basis. (2306.6702)

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(74) **State Housing Credit Ceiling** - The limitation imposed by the Code, §42(h), on the aggregate amount of Housing Credit Allocations that may be made by the Department during any calendar year, as determined from time to time by the Department in accordance with the Code, §42(h)(3).

(75) **Student Eligibility** - Per the Code, §42(i)(3)(D), "A unit shall not fail to be treated as a low-income unit merely because it is occupied:

(A) by an individual who is:

(i) a student and receiving assistance under Title IV of the Social Security Act (42 U.S.C. §§ 601 et seq.), or

(ii) enrolled in a job training program receiving assistance under the Job Training Partnership Act (29 USCS §§ 1501 et seq., generally; for full classification, consult USCS Tables volumes) or under other similar Federal, State, or local laws, or

(B) entirely by full-time students if such students are:

(i) single parents and their children and such parents and children are not dependents (as defined in section 152) of another individual, or

(ii) married and file a joint return."

(76) **Tax Exempt Bond Development** - A Development which receives a portion of its financing from the proceeds of tax exempt bonds which are subject to the state volume cap as described in the Code, §42(h)(4), such that the Development does not receive an allocation of tax credit authority from the State Housing Credit Ceiling.

(77) **Third Party** - A Third Party is a Person who is not an:

(A) Applicant, General Partner, Developer, or General Contractor, or

(B) an Affiliate or a Related Party to the Applicant, General Partner, Developer or General Contractor, or

(C) Person(s) receiving any portion of the contractor fee or developer fee.

(78) **Threshold Criteria** - Criteria used to determine whether the Development satisfies the minimum level of acceptability for consideration as specifically defined in §49.9(f) of this title. (2306.6702)

(79) **Total Housing Development Cost** - The total of all costs incurred or to be incurred by the Development Owner in acquiring, constructing, rehabilitating and financing a Development, as determined by the Department based on the information contained in the Application. Such costs include reserves and any expenses attributable to commercial areas. Costs associated with the sale or use of Housing Tax Credits to raise equity capital shall also be included in the Total Housing Development Cost. Such costs include but are not limited to syndication and partnership organization costs and fees, filing fees, broker commissions, related attorney and accounting fees, appraisal, engineering, and the environmental site assessment.

(80) **TX-USDA-RHS** - The Rural Housing Services (RHS) of the United States Department of Agriculture (USDA) serving the State of Texas (formerly known as TxFmHA) or its successor.

(81) **Unit** - Any residential rental unit in a Development consisting of an accommodation including a single room used as an accommodation on a non-transient basis, that contains complete physical facilities and fixtures for living, sleeping, eating, cooking and sanitation. (2306.6702)

(82) **Urban/Exurban Area**- An incorporated place or census designated place with:

(A) a population greater than 20,000; or

(B) of any population size that shares a boundary with an incorporated place or census designated place with a population greater than 20,000 in an MSA; and

(C) that does not meet the qualifications for a Rural Area as defined in paragraph 70(C) of this section.

§49.4. State Housing Credit Ceiling.

The Department shall determine the State Housing Credit Ceiling for each calendar year as provided in the Code, §42(h)(3)(C), using such information and guidance as may be made available by the Internal Revenue Service. The Department shall publish each such determination in the *Texas Register* within 30 days after the receipt of such information as is required for that purpose by the Internal Revenue Service. The aggregate amount of commitments of Housing Credit Allocations made by the Department during any calendar year shall not exceed the State Housing Credit Ceiling for such year as provided in the Code, §42. Housing Credit Allocations made to Tax Exempt Bond Developments are not included in the State Housing Credit Ceiling.

§49.5. Ineligibility, Disqualification and Debarment, Applicant Standards, Representation by Former Board Member or Other Person.

(a) **Ineligibility.** An Application will be ineligible if:

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(1) The Applicant, Development Owner, Developer or Guarantor has been or is barred, suspended, or terminated from procurement in a state or federal program or listed in the List of Parties Excluded from Federal Procurement or Non-Procurement Programs; or,

(2) The Applicant, Development Owner, Developer or Guarantor has been convicted of a state or federal crime involving fraud, bribery, theft, misrepresentation of material fact, misappropriation of funds, or other similar criminal offenses within fifteen years preceding the Application deadline; or,

(3) The Applicant, Development Owner, Developer or Guarantor at the time of Application is: subject to an enforcement or disciplinary action under state or federal securities law or by the NASD; is subject to a federal tax lien; or is the subject of an enforcement proceeding with any Governmental Entity; or

(4) The Applicant, Development Owner, Developer or Guarantor with any past due audits has not submitted those past due audits to the Department in a satisfactory format on or before the close of the Application Acceptance Period. A Person is not eligible to receive a commitment of Housing Tax Credits from the Department if any audit finding or questioned or disallowed cost is unresolved as of June 1 of each year, or for Tax Exempt Bond Developments is unresolved as of the date the Application is submitted; or

(5) (2306.6703) At the time of Application or at any time during the two-year period preceding the date the Application Round begins (or for Tax Exempt Bond Developments any time during the two-year period preceding the date the Application is submitted to the Department), the Applicant or a Related Party is or has been:

(A) a member of the Board; or

(B) the Executive Director, a Deputy Executive Director, the Director of Multifamily Finance Production, the Director of Portfolio Management and Compliance, the Director of Real Estate Analysis, or a manager over housing tax credits employed by the Department.

(6) (2306.6703) The Applicant proposes to replace in less than 15 years any private activity bond financing of the Development described by the Application, unless:

(A) the Applicant proposes to maintain for a period of 30 years or more 100 percent of the Development Units supported by Housing Tax Credits as rent-restricted and exclusively for occupancy by individuals and families earning not more than 50 percent of the Area Median Gross Income, adjusted for family size; and

(B) at least one-third of all the units in the Development are public housing units or Section 8 Development-based units; or,

(7) The Development is located in a municipality or, if located outside a municipality, a county, that has more than twice the state average of units per capita supported by Housing Tax Credits or private activity bonds at the time the Application Round begins (or for Tax Exempt Bond Developments at the time the reservation is made by the Texas Bond Review Board) unless the Applicant:

(A) has obtained prior approval of the Development from the governing body of the appropriate municipality or county containing the Development in the form of a resolution; and

(B) has included in the Application a written statement of support from that governing body referencing this rule and authorizing an allocation of housing tax credits for the Development;

(C) For purposes of this paragraph, evidence under subparagraphs (A) and (B) must be received by the Department no later than April 1, 2005 (or for Tax Exempt Bond Developments no later than 14 days before the Board meeting where the credits will be considered); or

(8) The Applicant proposes to construct a new Development that is located one linear mile (measured by a straight line on a map) or less from a Development that:

(A) serves the same type of household as the new Development, regardless of whether the Developments serve families, elderly individuals, or another type of household;

(B) has received an allocation of Housing Tax Credits (including Tax Exempt Bond Developments) for new construction at any time during the three-year period preceding the date the application round begins (or for Tax Exempt Bond Developments the three-year period preceding the date the Volume I is submitted); and

(C) has not been withdrawn or terminated from the Housing Tax Credit Program.

(D) An Application is not ineligible under this paragraph if:

(i) the Development is using federal HOPE VI funds received through the United States Department of Housing and Urban Development; locally approved funds received from a public improvement district or a tax increment financing district; funds provided to the state under the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. Section 12701 et seq.); or funds provided to the state and participating jurisdictions under the Housing and Community Development Act of 1974 (42 U.S.C. Section 5301 et seq.); or

(ii) the Development is located in a county with a population of less than one million; or

(iii) the Development is located outside of a metropolitan statistical area; or

(iv) the local government where the Development is to be located has by vote specifically allowed the construction of a new Development located within one linear mile or less from a Development

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described under subparagraphs (A) through (C) of this paragraph. For purposes of this clause, evidence of the local government vote must be received by the Department no later than April 1, 2005 (or for Tax Exempt Bond Developments no later than 14 days before the Board meeting where the credits will be committed). (2306.6703)

(E) In determining the age of an existing development as it relates to the application of the three-year period, the development will be considered from the date the Board took action on approving the allocation of tax credits. In dealing with ties between two or more Developments as it relates to this rule, refer to §49.9(h).

(9) A submitted Application has an entire Volume of the application missing; has excessive omissions of documentation from the Threshold Criteria or Uniform Application documentation; or is so unclear, disjointed or incomplete that a thorough review can not reasonably be performed by the Department, as determined by the Department.

(b) Disqualification and Debarment. The Department will disqualify an Application, and/or debar a Person (see 2306.6721, Texas Government Code), if it is determined by the Department that any issues identified in the paragraphs of this subsection exist. The Department shall debar a Person for no shorter period than the longer of one year from the date of debarment, or until the violation causing the debarment has been remedied. If the Department determines the facts warrant it, a Person may be debarred for up to fifteen years. Causes for disqualification and debarment include: (2306.6721)

(1) The provision of fraudulent information, knowingly false documentation, or other intentional or negligent material misrepresentation in the Application or other information submitted to the Department at any stage of the evaluation or approval process; or,

(2) The Applicant, Development Owner, Developer or Guarantor or anyone that has 10% or more ownership interest in the Development Owner, Developer or Guarantor that is active in the ownership or Control of one or more other rent restricted rental housing properties in the state of Texas administered by the Department is in Material Non-Compliance with the LURA (or any other document containing an Extended Housing Commitment) or the program rules in effect for such property as further described in 10 TAC Section 60.1; or

(3) The Applicant, Development Owner, Developer or Guarantor or anyone that has 10% or more ownership interest in the Development Owner, Developer or Guarantor that is active in the ownership or Control of one or more other rent restricted rental housing properties outside of the state of Texas has an incidence of Material Non-Compliance with the LURA or the program rules in effect for such tax credit property as further described in 10 TAC Section 60.1; or

(4) The Applicant, Development Owner, Developer, or any Guarantor, or any Affiliate of such entity has been a Principal of any entity that failed to make all loan payments to the Department in accordance with the terms of the loan, as amended, or was otherwise in default with any provisions of any loans from the Department.

(5) The Applicant or the Development Owner that is active in the ownership or Control of one or more tax credit properties in the state of Texas has failed to pay in full any fees within 30 days of when they were billed by the Department, as further described in §49.20 of this title; or

(6) the Applicant or a Related Party and any Person who is active in the construction, rehabilitation, ownership, or Control of the proposed Development, including a General Partner or contractor, and a Principal or Affiliate of a General Partner or contractor, or an individual employed as a lobbyist by the Applicant or a Related Party, communicates with any Board member during the period of time beginning on the date an Application is filed and ending on the date the Board makes a final decision with respect to any approval of that Application, unless the communication takes place at any board meeting or public hearing held with respect to that Application. Communication with Department staff must be in accordance with §49.9(b) of this title; violation of the communication restrictions of §49.9(b) is also a basis for disqualification and/or debarment. (2306.1113)

(7) It is determined by the Department's General Counsel that there is evidence that establishes probable cause to believe that an Applicant, Development Owner, Developer, or any of their employees or agents has violated a state revolving door or other standard of conduct or conflict of interest statute, including Section 2306.6733, Texas Government Code, or a section of Chapter 572, Texas Government Code, in making, advancing, or supporting the Application.

(8) Applicants may be ineligible as further described in §49.17(c)(8) of this title.

(c) Certain Applicant and Development Standards. Notwithstanding any other provision of this section, the Department may not allocate tax credits to a Development proposed by an Applicant if the Department determines that: (2306.223)

(1) the Development is not necessary to provide needed decent, safe, and sanitary housing at rental prices that individuals or families of low and very low income or families of moderate income can afford;

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(2) the Development Owner undertaking the proposed Development will not supply well-planned and well-designed housing for individuals or families of low and very low income or families of moderate income;

(3) the Development Owner is not financially responsible;

(4) the Development Owner has contracted, or will contract for the proposed Development with, a Developer that:

(A) is on the Department's debarred list, including any parts of that list that are derived from the debarred list of the United States Department of Housing and Urban Development;

(B) has breached a contract with a public agency and failed to cure that breach; or

(C) misrepresented to a subcontractor the extent to which the Developer has benefited from contracts or financial assistance that has been awarded by a public agency, including the scope of the Developer's participation in contracts with the agency and the amount of financial assistance awarded to the Developer by the agency;

(5) the financing of the housing Development is not a public purpose and will not provide a public benefit; and

(6) the Development will be undertaken outside the authority granted by this chapter to the Department and the Development Owner. (See 2306.223, Texas Government Code).

(d) Representation by Former Board Member or Other Person. (2306.6733)

(1) A former Board member or a former executive director, deputy executive director, director of multifamily finance production, director of portfolio management and compliance, director of real estate analysis or manager over housing tax credits previously employed by the Department may not:

(A) for compensation, represent an Applicant or one of its Related Parties for an allocation of tax credits before the second anniversary of the date that the Board member's, director's, or manager's service in office or employment with the Department ceased;

(B) represent any Applicant or a Related Party of an Applicant or receive compensation for services rendered on behalf of any Applicant or Related Party regarding the consideration of an Application in which the former board member, director, or manager participated during the period of service in office or employment with the Department, either through personal involvement or because the matter was within the scope of the board member's, director's, or manager's official responsibility; or for compensation, communicate directly with a member of the legislative branch to influence legislation on behalf of an Applicant or Related Party before the second anniversary of the date that the board member's, director's, or manager's service in office or employment with the Department ceased.

(2) A Person commits an offense if the Person violates this section. An offense under this section is a Class A misdemeanor. (See 2306.6733, Texas Government Code).

(e) **Due Diligence; Sworn Affidavit.** In exercising due diligence in considering information of possible ineligibility, possible grounds for disqualification and debarment, Applicant and Development standards, possible improper representation or compensation, or similar matters, the Department may request a sworn affidavit or affidavits from the Applicant, Development Owner, Developer, Guarantor, or other persons addressing the matter. If an affidavit determined to be sufficient by the Department is not received by the Department within seven business days of the date of the request by the Department, the Department may terminate the Application.

(f) **Appeals and Administrative Deficiencies for Ineligibility, Disqualification and Debarment.** An Applicant or Person found ineligible, disqualified, debarred or otherwise terminated under subsections (a) through (e) of this section will be notified in accordance with the Administrative Deficiency process described in §49.9(d)(4) of this title. They may also utilize the appeals process described in §49.17(b) of this title.

§49.6. Site and Development Restrictions: Floodplain, Ineligible Building Types, Scattered Site Limitations, Credit Amount, Limitations on the Size of Developments, Rehabilitation Costs.

(a) **Floodplain.** Any Development proposing new construction located within the 100 year floodplain as identified by the Federal Emergency Management Agency (FEMA) Flood Insurance Rate Maps must develop the site so that all finished ground floor elevations are at least one foot above the flood plain and parking and drive areas are no lower than six inches below the floodplain, subject to more stringent local requirements. If no FEMA Flood Insurance Rate Maps are available for the proposed Development, flood zone documentation must be provided from the local government with jurisdiction identifying the 100 year floodplain. No buildings or roads that are part of a Development proposing rehabilitation, with the exception of developments with federal funding assistance from HUD or TX USDA-RHS, will be permitted in the 100 year floodplain unless they already meet the requirements established in this subsection for new construction.

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(b) **Ineligible Building Types.** Applications involving Ineligible Building Types as defined in §49.3(47) of this title will not be considered for allocation of tax credits.

(c) **Scattered Site Limitations.** Consistent with §49.3(28) of this title, a Development must be financed under a common plan, be owned by the same Person for federal tax purposes, and the buildings may be either located on a single site or contiguous site, or be located on scattered sites and contain only rent-restricted units.

(d) **Credit Amount.** The Department shall issue tax credits only in the amount needed for the financial feasibility and viability of a Development throughout the affordability period. The issuance of tax credits or the determination of any allocation amount in no way represents or purports to warrant the feasibility or viability of the Development by the Department, or that the Development will qualify for and be able to claim Housing Tax Credits. The Department will limit the allocation of tax credits to no more than \$1.2 million per Development. The Department shall not allocate more than \$2 million of tax credits in any given Application Round to any Applicant, Developer, Related Party or Guarantor; Housing Tax Credits approved by the Board during the 2005 calendar year, including commitments from the 2005 Credit Ceiling and forward commitments from the 2006 Credit Ceiling, are applied to the credit cap limitation for the 2005 Application Round. In order to encourage the capacity enhancement of developers in rural areas, the Department will prorate the credit amount allocated in situations where an Application is submitted in the Rural Regional Allocation and the Development has 76 Units or less. To be considered for this provision, a copy of a Joint Venture Agreement and narrative on how this builds the capacity of the inexperienced developers is required. Tax Exempt Bond Development Applications are not subject to these Housing Tax Credit limitations, and Tax Exempt Bond Developments will not count towards the total limit on tax credits per Applicant. The limitation does not apply (2306.6711(b)):

(1) to an entity which raises or provides equity for one or more Developments, solely with respect to its actions in raising or providing equity for such Developments (including syndication related activities as agent on behalf of investors);

(2) to the provision by an entity of "qualified commercial financing" within the meaning of the Code (without regard to the 80% limitation thereof);

(3) to a Qualified Nonprofit Organization or other not-for-profit entity, to the extent that the participation in a Development by such organization consists only of the provision of loan funds, grants or social services; and

(4) to a Development Consultant with respect to the provision of consulting services, provided the Development Consultant fee received for such services does not exceed 10% of the fee to be paid to the Developer (or 20% for Qualified Nonprofit Developments), or \$150,000, whichever is greater.

(e) **Limitations on the Size of Developments.**

(1) The minimum Development size will be 16 Units if the Development involves Housing Tax Credits; the minimum Development size will be 4 Units if the funding source only involves the Housing Trust Fund or HOME Program.

(2) Rural Developments involving new construction will be limited to 76 Units. Rural Developments involving only rehabilitation do not have a size limitation.

(3) Developments involving new construction, that are not Tax Exempt Bond Developments, will be limited to 252 Total Units, wherein the maximum Department administered Units will be limited to 200 Units. Tax Exempt Bond Developments will be limited to 252 Total Units. These maximum Unit limitations also apply to those Developments which involve a combination of rehabilitation and new construction. Developments that consist solely of acquisition/rehabilitation or rehabilitation only may exceed the maximum Unit restrictions. For those Developments which are a second phase or are otherwise adjacent to an existing tax credit Development unless such proposed Development is being constructed to provide replacement of previously existing affordable multifamily units on its site (in a number not to exceed the original units being replaced) or that were originally located within a one mile radius from the proposed Development, the combined Unit total for the Developments may not exceed the maximum allowable Development size, unless the first phase has been completed and has attained Sustaining Occupancy (as defined in §1.31 of this title) for at least six months.

(f) **Limitations on the Location of Developments.** Staff will only recommend, and the Board may only allocate, housing tax credits from the Credit Ceiling to more than one Development in the same calendar year if the Developments are, or will be, located more than one linear mile apart as determined by the Department. If the Board forward commits credits from the following year's allocation of credits, the Development is considered to be in the calendar year in which the Board votes, not in the year of the Credit Ceiling. This limitation applies only to communities contained within counties with populations exceeding one million (which for calendar year 2005 are Harris, Dallas, Tarrant and Bexar Counties). For purposes of this rule, any two sites not more than one linear mile apart are deemed to be "in a single community." (2306.6711) This restriction does not apply to the allocation of housing tax credits to Developments financed through the Tax Exempt Bond program, including the

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Tax Exempt Bond Developments under review and existing Tax Exempt Bond Developments in the Department's portfolio. (2306.67021)

(g) **Rehabilitation Costs.** Rehabilitation Developments must establish that the rehabilitation will substantially improve the condition of the housing and will involve at least \$6,000 per Unit in direct hard costs.

(h) **Unacceptable Sites.** Developments will be ineligible if the Development is located on a site that is determined to be unacceptable by the Department.

§49.7. Regional Allocation Formula, Set-Asides, Redistribution of Credits.

(a) **Regional Allocation Formula.** (2306.111) As required by 2306.111, Texas Government Code, the Department uses a regional distribution formula developed by the Department to distribute credits from the State Housing Credit Ceiling to all urban/exurban areas and rural areas. The formula is based on the need for housing assistance, and the availability of housing resources in those urban/exurban areas and rural areas, and the Department uses the information contained in the Department's annual state low income housing plan and other appropriate data to develop the formula. This formula establishes separate targeted tax credit amounts for rural areas and urban/exurban areas within each of the Uniform State Service Regions. Each Uniform State Service Region's targeted tax credit amount will be published on the Department's web site. The regional allocation for rural areas is referred to as the Rural Regional Allocation and the regional allocation for urban/exurban areas is referred to as the Urban/Exurban Regional Allocation. Developments qualifying for the Rural Regional Allocation must meet the Rural Development definition or be located in a Prison Community. Approximately 5% of each region's allocation for each calendar year shall be allocated to Developments which are financed through TX-USDA-RHS and that meet the definition of a Rural Development and do not exceed 76 Units if new construction. These Developments will be attributed to the Rural Regional Allocation in each region where they are located. Developments financed through TX-USDA-RHS's 538 Guaranteed Rural Rental Housing Program will not be considered under this set-aside. Commitments of 2005 Housing Tax Credits issued by the Board in 2004 will be applied to each Set-Aside, Rural Regional Allocation, Urban/Exurban Regional Allocation and TX-USDA-RHS Allocation for the 2005 Application Round as appropriate.

(b) **Set-Asides.** An Applicant may elect to compete in as many of the following Set-Asides for which the proposed Development qualifies: (2306.111(d))

(1) At least 10% of the State Housing Credit Ceiling for each calendar year shall be allocated to Qualified Nonprofit Developments which meet the requirements of the Code, §42(h)(5). Qualified Nonprofit Organizations must have the Controlling interest in the Qualified Nonprofit Development applying for this Set-Aside. If the organization's Application is filed on behalf of a limited partnership, the Qualified Nonprofit Organization must be the controlling managing General Partner. If the organization's Application is filed on behalf of a limited liability company, the Qualified Nonprofit Organization must be the controlling Managing Member. Additionally, a Qualified Nonprofit Development submitting an Application in the nonprofit set-aside must have the nonprofit entity or its nonprofit affiliate or subsidiary be the Developer or a co-Developer as evidenced in the development agreement. (2306.6729 and 2306.6706(b))

(2) At least 15% of the allocation to each Uniform State Service Region will be set aside for allocation under the At-Risk Development Set-Aside. Through this Set-Aside, the Department, to the extent possible, shall allocate credits to Applications involving the preservation of developments designated as At-Risk Developments as defined in §49.3(12) of this title. (2306.6714). To qualify as an At-Risk Development, the Applicant must provide evidence that it either is not eligible to renew, retain or preserve any portion of the financial benefit described in §49.3(12)(A) of this title, or provide evidence that it will renew, retain or preserve the financial benefit described in §49.3(12)(A) of this title.

(c) **Redistribution of Credits.** (2306.111(d)) If any amount of housing tax credits remain after the initial commitment of housing tax credits among the Rural Regional Allocation and Urban/Exurban Regional Allocation within each Uniform State Service Region and among the Set-Asides, the Department may redistribute the credits amongst the different regions and Set-Asides depending on the quality of Applications submitted as evaluated under the factors described in §49.9(d) of this title and the level of demand exhibited in the Uniform State Service Regions during the Allocation Round. However as described in subsection (b)(1) of this section, no more than 90% of the State's Housing Credit Ceiling for the calendar year may go to Developments which are not Qualified Nonprofit Developments. If credits will be transferred from a Uniform State Service Region which does not have enough qualified Applications to meet its regional credit distribution amount, then those credits will be apportioned to the other Uniform State Service Regions.

§49.8. Pre-Application: Submission, Evaluation Process, Threshold Criteria and Review, Results.
(2306.6704)

(a) **Pre-Application Submission.** Any Applicant requesting a Housing Credit Allocation may submit a Pre-Application to the Department during the Pre-Application Acceptance Period along with the required Pre-Application Fee as described in §49.20 of this title. Only one Pre-Application may be submitted by an Applicant for each site under the State Housing Credit Ceiling. The Pre-Application submission is a voluntary process. While the Pre-Application Acceptance Period is open, Applicants may withdraw their Pre-Application and subsequently file a new Pre-Application utilizing the original Pre-Application Fee that was paid as long as no evaluation was performed by the Department. The Department is authorized to request the Applicant to provide additional information it deems relevant to clarify information contained in the Pre-Application or to submit documentation for items it considers to be Administrative Deficiencies. The rejection of a Pre-Application shall not preclude an Applicant from submitting an Application with respect to a particular Development or site at the appropriate time.

(b) **Communication with the Department.** Applicants that submit a Pre-Application are restricted from communication with Department staff as provided in §49.9(b) of this title. (2306.1113)

(c) **Pre-Application Evaluation Process.** Eligible Pre-Applications will be evaluated for Pre-Application Threshold Criteria. Any Application from a TX-USDA-RHS 515 Development (only for rehabilitation) is exempted from the Pre-Application Evaluation Process and will automatically receive the Pre-Application points further outlined in Section 49.9(g) of this title. Applications involving New Construction that are associated with a TX-USDA-RHS Development are not exempt from Pre-Application and are eligible to compete for the Pre-Application points further outlined in §49.9(g) of this title. An Application that has not received confirmation from the state office of RHS of its financing from TX-USDA-RHS may qualify for Pre-Application points, but such points shall be withdrawn upon the Development's receipt of TX-USDA-RHS financing. Pre-Applications that are found to have Administrative Deficiencies will be handled in accordance with §49.9(d)(4) of this title. Department review at this stage is limited and not all issues of eligibility and threshold are reviewed at Pre-Application. Acceptance by staff of a Pre-Application does not ensure that an Applicant satisfies all Application eligibility, Threshold or documentation requirements. The Department is not responsible for notifying an Applicant of potential areas of ineligibility or threshold deficiencies at the time of Pre-Application.

(d) **Pre-Application Threshold Criteria and Review.** Applicants submitting a Pre-Application will be required to submit information demonstrating their satisfaction of the Pre-Application Threshold Criteria. The Pre-Applications not meeting the Pre-Application Threshold Criteria will be terminated and the Applicant will receive a written notice to the effect that the Pre-Application Threshold Criteria have not been met. The Department shall not be responsible for the Applicant's failure to meet the Pre-Application Threshold Criteria and any failure of the Department's staff to notify the Applicant of such inability to satisfy the Pre-Application Threshold Criteria shall not confer upon the Applicant any rights to which it would not otherwise be entitled. The Pre-Application Threshold Criteria include:

(1) Submission of a "Pre-Application Submission Form" and "Certification of Pre-Application Total Self-Score" and

(2) Evidence of site control through March 1, 2005 as evidenced by the documentation required under §49.9(f)(7)(A) of this title.

(3) Evidence that all of the notifications required under this paragraph have been made. Notifications under clause (B)(i) must be made by the deadlines described in that clause; notifications under clauses (B)(ii) through (ix) must be made prior to the close of the Pre-Application Acceptance Period. (2306.6704) Evidence of notification must meet the requirements identified in subparagraph (A) of this paragraph to all of the individuals and entities identified in subparagraph (B) of this paragraph. Evidence of such notifications shall include a copy of the exact letter and other materials that were sent to the individual or entity, a sworn certified affidavit stating that they made the notifications prior to the deadlines and a copy of the entire mailing list (which includes the names and addresses) of all of the recipients. (2306.6705) (2306.6704)

(A) Each such notice must include, at a minimum, all of the following:

- (i) The Applicant's name, address, individual contact name and phone number;
- (ii) The Development name, address, city and county;
- (iii) A statement informing the entity or individual being notified that the Applicant is submitting a request for Housing Tax Credits with the Texas Department of Housing and Community Affairs;
- (iv) Statement of whether the Development proposes new construction or rehabilitation;
- (v) The type of Development being proposed (single family homes, duplex, apartments, townhomes, highrise etc.) and population being served (family, transitional, elderly);

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- Units;
- (vi) The approximate total number of Units and approximate total number of low income Units;
 - (vii) The approximate percentage of Units serving each level of AMGI (e.g. 20% at 50% of AMGI, etc.) and the percentage of Units that are market rate;
 - (viii) The number of Units and proposed rents (less utility allowances) for the low income Units and the number of Units and the proposed rents for any market rate Units. Rents to be provided are those that are effective at the time of the Pre-Application, which are subject to change as annual changes in the area median income occur; and
 - (ix) The expected completion date if credits are awarded.

(B) Notification must be sent to all of the following individuals and entities. Officials to be notified are those officials in office at the time the Application is submitted.

(i) Notification to Local Elected Officials for Neighborhood Organization Input. Evidence must be provided that a letter requesting information on neighborhood organizations on record with the state or county in which the Development is to be located and whose boundaries contain the proposed Development site and meeting the requirements of "Local Elected Official Notification" as outlined in the Application was sent no later than December 20, 2004 to the local elected official for the city or if located outside of a city, then the county where the Development is proposed to be located. If the Development is located in a jurisdiction that has district based local elected officials, or both at-large and district based local elected officials, the notification must be made to the city council member or county commissioner representing that district; if the Development is located in a jurisdiction that has only at-large local elected officials, the notification must be made to the mayor or county judge for the jurisdiction. A copy of the reply letter or other official third-party documentation from the local elected official must be provided. For urban/exurban areas, entities identified in the letter from the local elected official whose boundaries include the proposed Development whose listed address has the same zip code as the zip code for the Development must be provided with written notification, and evidence of that notification must be provided. If any other zip codes exist within a half mile of the Development site, then all entities identified in the letters with those adjacent zip codes must also be provided with written notification, and evidence of that notification must be provided. For rural areas, all entities identified in the letters whose listed address is within a half mile of the Development site must be provided with written notification, and evidence of that notification must be provided. If the Applicant can provide evidence that the proposed Development is not located within the boundaries of an entity on a list from the local elected officials, then such evidence in lieu of notification may be acceptable. If no reply letter is received from the local elected officials by January 1, 2005, (or For Tax Exempt Bond Developments or Applications not applying for Tax Credits, but applying only for other Multifamily Programs such as HOME, Housing Trust Fund, etc., by 7 days prior to the submission of the Application) then the Applicant must submit a statement attesting to that fact. If an Applicant has knowledge of any neighborhood organizations on record with the state or county in which the Development is to be located and whose boundaries contain the proposed Development site, the Applicant must notify those organizations. The Applicant must also certify that any organizations in a response letter that are not notified do not contain the proposed Development site within their boundaries. In the event that local elected officials refer the Applicant to another source, the Applicant must also notify that source and request the same information. If the Applicant has no knowledge of neighborhood organizations within whose boundaries the Development is proposed to be located, the Applicant must attest to that fact in the format provided by the Department as part of the Application.

- (ii) Superintendent of the school district containing the Development;
- (iii) Presiding officer of the board of trustees of the school district containing the Development;
- (iv) Mayor of any municipality containing the Development;
- (v) All elected members of the governing body of any municipality containing the Development;
- (vi) Presiding officer of the governing body of the county containing the Development;
- (vii) All elected members of the governing body of the county containing the Development;
- (viii) State senator of the district containing the Development; and
- (ix) State representative of the district containing the Development.

(e) **Pre-Application Results.** Only Pre-Applications which have satisfied all of the Pre-Application Threshold Criteria requirements set forth in subsection (d) of this section and §49.9(g)(10) of this title, will be eligible for Pre-Application points. The order and scores of those Developments released on the Pre-Application Submission Log do not represent a commitment on the part of the Department or the Board to allocate tax credits to any Development and the Department bears no liability for decisions made by Applicants based on the results of the Pre-Application Submission Log. Inclusion of a Development on the Pre-Application Submission Log does not ensure that an Applicant will receive points for a Pre-Application.

§49.9. Application: Submission, Adherence to Obligations, Evaluation Process, Required Pre-Certification and Acknowledgement, Threshold Criteria, Selection Criteria, Evaluation Factors, Staff Recommendations.

(a) **Application Submission.** Any Applicant requesting a Housing Credit Allocation or a Determination Notice must submit an Application, and the required Application fee as described in §49.20 of this title, to the Department during the Application Acceptance Period. Only complete Applications will be accepted. All required volumes must be appropriately bound as required by the Application Submission Procedures Manual and fully complete for submission and received by the Department not later than 5:00 p.m. on the date the Application is due. Only one Application may be submitted for a site in an Application Round. While the Application Acceptance Period is open, Applicants may withdraw their Application and subsequently file a new Application utilizing the original Pre-Application Fee that was paid as long as no evaluation was performed by the Department. The Department is authorized, but not required, to request the Applicant to provide additional information it deems relevant to clarify information contained in the Application or to submit documentation for items it considers to be an Administrative Deficiency, including both threshold and selection criteria documentation. (2306.6708) An Applicant may not change or supplement an Application in any manner after the filing deadline, and may not add any set-asides, increase their credit amount, or revise their unit mix (both income levels and bedroom mixes), except in response to a direct request from the Department to remedy an Administrative Deficiency as further described in §49.3(1) of this title or by amendment of an Application after a commitment or allocation of tax credits as further described in §49.17 of this title.

(b) **Communication with Department Employees.** Communication with Department staff by Applicants that submit a Pre-Application or Application must follow the following requirements. During the period beginning on the date a Development Pre-Application or Application is filed and ending on the date the Board makes a final decision with respect to any approval of that Application, the Applicant or a Related Party, and any Person that is active in the construction, rehabilitation, ownership or Control of the proposed Development including a General Partner or contractor and a Principal or Affiliate of a General Partner or contractor, or individual employed as a lobbyist by the Applicant or a Related Party, may communicate with an employee of the Department about the Application orally or in written form, which includes electronic communications through the Internet, so long as that communication satisfies the conditions established under paragraphs (1) through (3) of this subsection. §49.5(b)(7) of this title applies to all communication with Board members. Communications with Department employees is unrestricted during any board meeting or public hearing held with respect to that Application.

(1) The communication must be restricted to technical or administrative matters directly affecting the Application;

(2) The communication must occur or be received on the premises of the Department during established business hours;

(3) a record of the communication must be maintained by the Department and included with the Application for purposes of board review and must contain the date, time, and means of communication; the names and position titles of the persons involved in the communication and, if applicable, the person's relationship to the Applicant; the subject matter of the communication; and a summary of any action taken as a result of the communication. (2306.1113)

(c) **Adherence to Obligations.** (2306.6720) All representations, undertakings and commitments made by an Applicant in the application process for a Development, whether with respect to Threshold Criteria, Selection Criteria or otherwise, shall be deemed to be a condition to any Commitment Notice, Determination Notice, or Carryover Allocation for such Development, the violation of which shall be cause for cancellation of such Commitment Notice, Determination Notice, or Carryover Allocation by the Department, and if concerning the ongoing features or operation of the Development, shall be enforceable even if not reflected in the LURA. All such representations are enforceable by the Department and the tenants of the Development, including enforcement by administrative penalties for failure to perform, in accordance with the LURA. To protect the integrity of the Department's processes and decisions, evidence of false statements or misrepresentations from applicant representatives, neighborhood representatives, or other persons will be considered for appropriate action, including terminating the Application, rejecting neighborhood organization letters for scoring, and possible referral to local district and county attorneys.

(d) **Evaluation Process.** Applications will be reviewed according to the process outlined in this subsection. An Application, during any of these stages of review, may be determined to be ineligible as further described in §49.5(b)(2); Applicants will be promptly notified in these instances.

(1) **Eligibility and Selection Criteria Review.** All Applications will first be reviewed as described in this paragraph. Applications will be confirmed for eligibility under §§49.5 and 49.6 of this chapter and Set-Aside

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eligibility will be confirmed. Then, each Application will be preliminarily scored according to the Selection Criteria listed in subsection (g) of this section. When a particular scoring criterion involves multiple points, the Department will award points to the proportionate degree, in its determination, to which a proposed Development complied with that criterion. As necessary to complete this process only, Administrative Deficiencies may be issued to the Applicant. This process will generate a preliminary Department score for every application.

(2) Priority Review Assessment. Each Application will be assessed based on either the Applicant's self-score or the Department's preliminary score, region, and any Set-Asides that the Application indicates it is eligible for, consistent with paragraph (5) of this subsection. Those Applications that appear to be most competitive will be designated as "priority" Applications. Applications that do not appear to be competitive may not be reviewed in detail for Threshold Criteria during the Application Round.

(3) Threshold Criteria Review. Applications that are designated as "priority" from the Priority Review Assessment will be evaluated in detail against the Threshold Criteria. Applications not meeting Threshold Criteria will be terminated, unless the Department determines that the failure to meet the Threshold Criteria is the result of Administrative Deficiencies, in which event the Applicant may be given an opportunity to correct such deficiencies. Applications not meeting Threshold Criteria will be terminated and the Applicant will be provided a written notice to that effect. The Department shall not be responsible for the Applicant's failure to meet the Threshold Criteria, and any failure of the Department's staff to notify the Applicant of such inability to satisfy the Threshold Criteria shall not confer upon the Applicant any rights to which it would not otherwise be entitled. Not all Applications will be reviewed in detail for Threshold Criteria. To the extent that the review of Threshold Criteria documentation, or submission of Administrative Deficiency documentation, alters the score assigned to the Application, Applicants will be notified of their final score. As Applications are evaluated under this Review process, a final score by the Department may remove the Application from "priority" status at which point other Applications may be designated as "priority" and reviewed under this paragraph.

(4) Administrative Deficiencies. If an Application contains deficiencies which, in the determination of the Department staff, require clarification or correction of information submitted at the time of the Application, the Department staff may request clarification or correction of such Administrative Deficiencies. Because the review for Eligibility and Selection, and Threshold Criteria may occur separately, Administrative Deficiency requests may be made several times. The Department staff may request clarification or correction in a deficiency notice in the form of a facsimile and a telephone call to the Applicant advising that such a request has been transmitted. If Administrative Deficiencies are not clarified or corrected to the satisfaction of the Department within eight business days of the deficiency notice date, then five points shall be deducted from the Selection Criteria score for each additional day the deficiency remains unresolved. If deficiencies are not clarified or corrected within ten business days from the deficiency notice date, then the Application shall be terminated. The time period for responding to a deficiency notice begins at the start of the business day following the deficiency notice date. Deficiency notices may be sent to an Applicant prior to or after the end of the Application Acceptance Period.

(5) Subsequent Evaluation of Prioritized Applications. The Department will assign, as herein described, Developments for review for financial feasibility by the Department's Real Estate Analysis Division - in general these will be those applications identified as "priority". This prioritization order will also be used in making recommendations to the Board. Assignments will be determined by first selecting the Applications with the highest scores in the At-Risk Set-Aside and TX-USDA-RHS Allocation within each Uniform State Service Region. Remaining funds within each Uniform State Service Region will then be selected based on the highest scoring Developments, regardless of Set-Aside, in accordance with the requirements under §49.7(a) of this title for a Rural Regional Allocation and Urban/Exurban Regional Allocation. After this priority review has occurred, staff will review priority applications to ensure that at least 10% of the priority applications are qualified Nonprofits to satisfy the Nonprofit Set-Aside. If 10% is not met, then the Department will add the highest Qualified Nonprofits statewide until the 10% Nonprofit Set-Aside is met. Selection for each of the Set-Asides will take precedence over selection for the Rural Regional Allocation and Urban/Exurban Regional Allocation. Funds for the Rural Regional Allocation or Urban/Exurban Regional Allocation within a region, for which there are no eligible feasible applications, will be redistributed as provided in §49.7(c) Redistribution of Credits. If the Department determines that an allocation recommendation would cause a violation of the \$2 million limit described in §49.6(d) of this title, the Department will make its recommendation by selecting the Development(s) that most effectively satisfies(y) the Department's goals in meeting set-aside and regional allocation goals. Based on Application rankings, the Department shall continue to underwrite Applications until the Department has processed enough Applications satisfying the Department's underwriting criteria to enable the allocation of all available housing tax credits according to regional allocation goals and Set-Aside categories. To enable the Board to establish a Waiting List, the Department shall underwrite as many additional Applications

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as necessary to ensure that all available housing tax credits are allocated within the period required by law. (2306.6710(a), (b) and (d); 2306.111)

(6) Underwriting Evaluation and Criteria. The Department shall underwrite an Application to determine the financial feasibility of the Development and an appropriate level of housing tax credits. In determining an appropriate level of housing tax credits, the Department shall, at a minimum, evaluate the cost of the Development based on acceptable cost parameters as adjusted for inflation and as established by historical final cost certifications of all previous housing tax credit allocations for the county in which the Development is to be located; if certifications are unavailable for the county, then the metropolitan statistical area in which the Development is to be located; or if certifications are unavailable under the county or the metropolitan statistical area, then the Uniform State Service Region in which the Development is to be located. Underwriting of a Development will include a determination by the Department, pursuant to the Code, §42, that the amount of credits recommended for commitment to a Development is necessary for the financial feasibility of the Development and its long-term viability as a qualified rent restricted housing property. In making this determination, the Department will use the Underwriting Rules and Guidelines, §1.32 of this title. Receipt of feasibility points under §49.9(g)(1) of this title does not ensure that an Application will be considered feasible during the feasibility evaluation by the Real Estate Analysis Division and conversely, a Development may be found feasible during the feasibility evaluation by the Real Estate Analysis Division even if it did not receive points under §49.9(g)(1) of this title. (2306.6711(b); 2306.6710(d))

(A) The Department may have an external party perform the underwriting evaluation to the extent it determines appropriate. The expense of any external underwriting evaluation shall be paid by the Applicant prior to the commencement of the aforementioned evaluation.

(B) The Department will reduce the Applicant's estimate of Developer's and/or Contractor fees in instances where these exceed the fee limits determined by the Department. In the instance where the Contractor is an Affiliate of the Development Owner and both parties are claiming fees, Contractor's overhead, profit, and general requirements, the Department shall be authorized to reduce the total fees estimated to a level that it determines to be reasonable under the circumstances. Further, the Department shall deny or reduce the amount of Housing Tax Credits allocated with respect to any portion of costs which it deems excessive or unreasonable. Excessive or unreasonable costs may include developer fee attributable to Related Party acquisition costs. The Department also may require bids or Third Party estimates in support of the costs proposed by any Applicant.

(7) Compliance Evaluation. After the Department has determined which Developments will be reviewed for financial feasibility, those same Developments will be reviewed for evaluation of the compliance status by the Department's Portfolio Management and Compliance Division, in accordance with Chapter 60 of this title.

(8) Site Evaluation. Site conditions shall be evaluated through a physical site inspection by the Department or its assigns. Such inspection will evaluate the site based upon the criteria set forth in the Site Evaluation form provided in the Application and the inspector shall provide a written report of such site evaluation. The evaluations shall be based on the condition of the surrounding neighborhood, including appropriate environmental and aesthetic conditions and proximity to retail, medical, recreational, and educational facilities, and employment centers. The site's appearance to prospective tenants and its accessibility via the existing transportation infrastructure and public transportation systems shall be considered. "Unacceptable" sites include, without limitation, those containing a non-mitigable environmental factor that may adversely affect the health and safety of the residents. For Developments applying under the TX-USDA-RHS Set-Aside, the Department may rely on the physical site inspection performed by TX-USDA-RHS.

(e) Pre-Certification and Acknowledgement Procedures. No later than 14 days prior to the close of the Application Acceptance Period, an Applicant must submit the documents required in this subsection to obtain the required pre-certification and acknowledgement. For Applications submitted for Tax Exempt Bond Developments or Applications not applying for Tax Credits, but applying only under other Multifamily Programs (HOME, Housing Trust Fund, etc.) all documents in this section must be submitted with the Application.

(1) Experience Certificate. Upon receipt of the evidence required under this paragraph, a certification from the Department will be provided to the Applicant for inclusion in their Application(s). Evidence must show that one of the Development Owner's General Partners, the Developer or their Principals have a record of successfully constructing or developing residential units (single family or multifamily) in the capacity of owner, General Partner or Developer. If a Public Housing Authority organized an entity for the purpose of developing residential units the Public Housing Authority shall be considered a principal for the purpose of this requirement. If the individual requesting the certification was not the Development Owner, General Partner or Developer, but was the individual within one of those entities doing the work associated with the development of the units, the individual must show that the units were successfully developed as required below, and also provide written confirmation from the entity involved stating that the individual was the person responsible for the development. If rehabilitation experience is being claimed to qualify for an Application involving new

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construction, then the rehabilitation must have been substantial and involved at least \$6,000 of direct hard cost per unit.

(A) The term "successfully" is defined as acting in a capacity as the owner, General Partner, or Developer of:

(i) at least 100 residential units; or

(ii) at least 36 residential units if the Development applying for credits is a Rural Development;

or

(iii) at least 25 residential units if the Development applying for credits has 36 or fewer total Units.

(B) One of the following documents must be submitted: American Institute of Architects (AIA) Document A111 - Standard Form of Agreement Between Owner & Contractor, AIA Document G704 - Certificate of Substantial Completion, IRS Form 8609, HUD Form 9822, development agreements, partnership agreements, or other documentation satisfactory to the Department verifying that the Development Owner's General Partner, partner (or if Applicant is to be a limited liability company, the managing member), Developer or their Principals have the required experience. If submitting the IRS Form 8609, only one form per Development is required. The evidence must clearly indicate:

(i) that the Development has been completed (i.e. Development Agreements, Partnership Agreements, etc. must be accompanied by certificates of completion.);

(ii) that the names on the forms and agreements tie back to the Development Owner's General Partner, partner (or if Applicant is to be a limited liability company, the managing member), Developer or their Principals as listed in the Application; and

(iii) the number of units completed or substantially completed.

(2) Financial Statement and Authorization to Release Credit Information. At the option of the Applicant, financial statements may be pre-submitted and a Department acknowledgement of receipt substituted for the financials in the subsequent Application. The acknowledgement will not constitute acceptance by the Department that financial statements provided are acceptable in any manner but only acknowledge their receipt. Applicants that do not opt to pre-submit financial statements and authorization to release credit information must provide a full submission in accordance with this paragraph at the time of application. The financial statements and authorization to release credit information must be unbound and clearly labeled. A "Financial Statement and Authorization to Release Credit Information" must be completed and signed for any General Partner, Developer or Guarantor and any Person that has 10% or more ownership interest in the Development Owner, General Partner, Developer, or Guarantor. Nonprofit entities, public housing authorities and publicly traded corporations are only required to submit documentation for the entities involved; documentation for individual board members and executive directors is not required for this exhibit.

(A) Financial statements for an individual must not be older than 90 days from the date of Application submission.

(B) Financial statements for partnerships or corporations should be for the most recent fiscal year ended 90 days prior to the date of Application submission. An audited financial statement should be provided, if available, and all partnership or corporate financials must be certified. Financial statements are required for an entity even if the entity is wholly-owned by a Person who has submitted this document as an individual.

(C) Entities that have not yet been formed and entities that have been formed recently but have no assets, liabilities, or net worth are not required to submit this documentation, but must submit a statement with their Application that this is the case.

(3) Previous Participation. Upon receipt of the evidence required under this paragraph, an acknowledgement from the Portfolio Management and Compliance Division will be provided to the Applicant for inclusion in their Application(s). A completed and executed "Previous Participation and Background Certification Form" as provided in the Application must be provided for the Applicant, Development Owner, Developer and Guarantor and each entity shown on an organizational chart as described in subsection (f)(9)(A) of this section that has 10% or more ownership interest in the Development Owner, Developer or Guarantor. Nonprofit entities, public housing authorities and publicly traded corporations are only required to submit documentation for the entities involved; documentation for individual board members and executive directors is not required for this exhibit. Any Person receiving more than 10% of the Developer fee will also be required to submit documents for this exhibit. The 2005 versions of these forms, as required in the Uniform Application, must be submitted. Units of local government are also required to submit this document. The form must include a list of all developments that are, or were, previously under ownership or Control of the Person. All participation in any TDHCA funded or monitored activity, including non-housing activities, must be disclosed.

(4) National Previous Participation. Upon receipt of the evidence required under this paragraph, an acknowledgement from the Portfolio Management and Compliance Division will be provided to the Applicant for

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inclusion in their Application(s). If the Applicant, Development Owner or any of its Affiliates, Developer and Guarantor or any entity shown on the organizational chart described in subsection (f)(9)(A) of this section that have 10% or more ownership interest in the Development Owner have, or have had, ownership or Control of affordable housing, being housing that receives any form of financing and/or assistance from any Governmental Entity for the purpose of enhancing affordability to persons of low or moderate income, outside the state of Texas, then evidence must be submitted that such Persons have sent the "National Previous Participation and Background Certification Form" to the appropriate Housing Credit Agency for each state in which they have developed or operated affordable housing. Nonprofit entities and public housing authorities are only required to submit documentation for the entity itself; documentation for board members and executive directors is not required for this exhibit. Any Person receiving more than 10% of the Developer fee will also be required to submit documents for this exhibit. This form is only necessary when the Developments involved are outside the state of Texas. An original form is not required. Evidence of such notification shall be a copy of the form sent to the agency and proof of delivery in the form of a certified mail receipt, overnight mail receipt, or confirmation letter from the agency.

(f) **Threshold Criteria.** The following Threshold Criteria listed in this subsection are mandatory requirements at the time of Application submission unless specifically indicated otherwise:

(1) Completion and submission of the Application, which includes the entire Uniform Application and any other supplemental forms which may be required by the Department. (2306.1111)

(2) Completion and submission of the Site Packet as provided in the Application.

(3) Set-Aside Eligibility. Documentation must be provided that confirms eligibility for all Set-Asides under which the Application is seeking funding as required in the Application.

(4) Certifications. The "Certification Form" provided in the Application confirming the following items:

(A) A certification of the basic amenities selected for the Development. All Developments, must meet at least the minimum threshold of points. These points are not associated with the selection criteria points in this title. The amenities selected must be made available for the benefit of all tenants. If fees in addition to rent are charged for amenities reserved for an individual tenant's use, then the amenity may not be included among those provided to complete this exhibit. Developments must provide a minimum number of common amenities in relation to the Development size being proposed. The amenities selected must be selected from clause (ii) of this subparagraph and made available for the benefit of all tenants. Developments proposing rehabilitation or proposing Single Room Occupancy will receive double points for each item. Applications for scattered site housing, including new construction, rehabilitation, and single-family design, will have the threshold test applied based on the number of Units per individual site. Any future changes in these amenities, or substitution of these amenities, must be approved by the Department in accordance with §49.17(c) of this title and may result in a decrease in awarded credits if the substitution or change includes a decrease in cost, or in the cancellation of a Commitment Notice or Carryover Allocation if all of the Common Amenities claimed are no longer met.

(i) Applications must meet a minimum threshold of points (based on the total number of Units in the Development) as follows:

(I) Total Units are less than 13, 0 points are required to meet Threshold for rehabilitation and 1 point is required for new construction;

(II) Total Units are between 13 and 24, 1 point is required to meet Threshold;

(III) Total Units are between 25 and 40, 3 points are required to meet Threshold;

(IV) Total Units are between 40 and 76, 6 points are required to meet Threshold;

(V) Total Units are between 77 and 99, 9 points are required to meet Threshold;

(VI) Total Units are between 100 and 149, 12 points are required to meet Threshold;

(VII) Total Units are between 150 and 199, 15 points are required to meet Threshold;

(VIII) Total Units are 200 or more, 18 points are required to meet Threshold.

(ii) Amenities for selection include those items listed in subclauses (I) through (XXIV) of this clause. Both Developments designed for families and Qualified Elderly Developments can earn points for providing each identified amenity unless the item is specifically restricted to one type of Development. All amenities must meet accessibility standards as further described in §49.9(f)(4)(D) of this title. An Application can only count an amenity once, therefore combined functions (a library which is part of a community room) only count under one category. Spaces for activities must be sized appropriately to serve the anticipated population.

(I) Full perimeter fencing with controlled gate access (3 points);

(II) Full perimeter fencing without controlled gate access (2 points);

(III) Gazebo w/sitting area (1 point);

(IV) Accessible walking path (1 point);

(V) Community gardens (1 point);

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- (VI) Community laundry room (1 point);
- (VII) Public telephone(s) available to tenants 24 hours a day (2 points);
- (VIII) Barbecue grills and picnic tables - at least one for every 50 Units (1 point);
- (IX) Covered pavilion that includes barbecue grills and tables (2 points);
- (X) Swimming pool (3 points);
- (XI) Furnished fitness center (2 points);
- (XII) Equipped Business Center (computer and fax machine) or Equipped Computer Learning Center (2 points);
- (XIII) Furnished Community room (1 point);
- (XIV) Library (separate from the community room) (1 point);
- (XV) Enclosed sun porch or covered community porch/patio (2 points);
- (XVI) Service coordinator office in addition to leasing offices (1 point);
- (XVII) Senior Activity Room (Arts and Crafts, etc.) - Only Qualified Elderly Developments Eligible (2 points);
- (XVIII) Health Screening Room (1 point);
- (XIX) Secured Entry (elevator buildings only) - (1 point);
- (XX) Horseshoe, Putting Green or Shuffleboard Court - Only Qualified Elderly Developments Eligible (1 point);
- (XXI) Community Dining Room w/full or warming kitchen - Only Qualified Elderly Developments Eligible (3 points);
- (XXII) Two Children's Playgrounds Equipped for 5 to 12 year olds, two Tot Lots, or one of each - Only Family Developments Eligible (2 points) or one point for one playground or one tot lot;
- (XXIII) Sport Court (Tennis, Basketball or Volleyball) - Only Family Developments Eligible (2 points); or
- (XXIV) Furnished and staffed Children's Activity Center - Only Family Developments Eligible (3 points).

(B) A certification that the Development will have all of the following Unit Amenities (not required for Single Room Occupancy Developments). If fees in addition to rent are charged for amenities, then the amenity may not be included among those provided to complete this exhibit. Any future changes in these amenities, or substitution of these amenities, may result in a decrease in awarded credits if the substitution or change includes a decrease in cost or in a cancellation of a Commitment Notice or Carryover Allocation if the Threshold Criteria are no longer met.

(i) All New Construction Units must be built with three networks: One network installed for phone using CAT5e or better wiring; a second network for data installed using CAT5e or better wiring; and a third network for TV services using COAX cable;

- (ii) Mini blinds or window coverings for all windows;
- (iii) Dishwasher and Disposal (not required for TX-USDA-RHS Developments);
- (iv) Refrigerator;
- (v) Oven/Range;
- (vi) Exhaust/vent fans in bathrooms; and
- (vii) Ceiling fans in living areas and bedrooms.

(C) A certification that the Development will adhere to the Texas Property Code relating to security devices and other applicable requirements for residential tenancies, and will adhere to local building codes or if no local building codes are in place then to the most recent version of the International Building Code.

(D) A certification that the Applicant is in compliance with state and federal laws, including but not limited to, fair housing laws, including Chapter 301, Property Code, Title VIII of the Civil Rights Act of 1968 (42 U.S.C. Section 3601 et seq.), and the Fair Housing Amendments Act of 1988 (42 U.S.C. Section 3601 et seq.); the Civil Rights Act of 1964 (42 U.S.C. Section 2000a et seq.); the Americans with Disabilities Act of 1990 (42 U.S.C. Section 12101 et seq.); the Rehabilitation Act of 1973 (29 U.S.C. Section 701 et seq.); Fair Housing Accessibility; the Texas Fair Housing Act; and that the Development is designed consistent with the Fair Housing Act Design Manual produced by HUD, the Code Requirements for Housing Accessibility 2000 (or as amended from time to time) produced by the International Code Council and the Texas Accessibility Standards. (2306.257; 2306.6705(a)(7))

(E) A certification that the Applicant will attempt to ensure that at least 30% of the construction and management businesses with which the Applicant contracts in connection with the Development are Minority Owned Businesses, and that the Applicant will submit a report at least once in each 90-day period following the date of the Commitment Notice until the Cost Certification is submitted, in a format prescribed by the Department and provided at the time a Commitment Notice is received, on the percentage of businesses with which the Applicant has contracted that qualify as Minority Owned Businesses. (2306.6734)

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(F) Pursuant to §2306.6722, any Development supported with a housing tax credit allocation shall comply with the accessibility standards that are required under Section 504, Rehabilitation Act of 1973 (29 U.S.C. Section 794), and specified under 24 C.F.R. Part 8, Subpart C. The Applicant must provide a certification from an accredited architect or Department-approved third party accessibility specialist, that the Development will comply with the accessibility standards that are required under Section 504, Rehabilitation Act of 1973 (29 U.S.C. Section 794), and specified under 24 C.F.R. Part 8, Subpart C and this subparagraph. This includes that for all new construction Developments, a minimum of five percent of the total dwelling Units or at least one Unit, whichever is greater, shall be made accessible for individuals with mobility impairments. A Unit that is on an accessible route and is adaptable and otherwise compliant with sections 3-8 of the Uniform Federal Accessibility Standards (UFAS), shall be deemed to meet this requirement. An additional two percent of the total dwelling Units, or at least one Unit, whichever is greater, shall be accessible for individuals with hearing or vision impairments. Additionally, in Developments involving new construction where some Units are two-stories and are normally exempt from Fair Housing accessibility requirements, a minimum of 20% of each Unit type (i.e. one bedroom, two bedroom, three bedroom) must provide an accessible entry level in compliance with the Fair Housing Guidelines, and include a minimum of one bedroom and one bathroom or powder room at the entry level. A similar certification will also be required after the Development is completed. Any Developments designed as single family structures must also satisfy the requirements of 2306.514, Texas Government Code. (2306.6722 and 2306.6730)

(G) A certification that the Development will be equipped with energy saving devices that meet the 2000 International Energy Conservation Code (IECC), which is the standard statewide energy code adopted by the state energy conservation office, unless historic preservation codes permit otherwise for a Development involving historic preservation. All Units must be air-conditioned or utilize evaporative coolers. The measures must be certified by the Development architect as being included in the design of each tax credit Unit at the time the 10% Test Documentation is submitted and in actual construction upon Cost Certification. (2306.6725(b))

(H) A certification that the Development will be built by a General Contractor that satisfies the requirements of the General Appropriation Act, Article VII, Rider 7(c) applicable to the Department which requires that the General Contractor hired by the Development Owner or the Applicant, if the Applicant serves as General Contractor, must demonstrate a history of constructing similar types of housing without the use of federal tax credits.

(I) A certification that the Development Owner agrees to establish a reserve account consistent with 2306.186 Texas Government Code and as further described in Section 1.37 of this title. (Section 2306.186)

(5) Design Items. This exhibit will provide:

(A) All of the architectural drawings identified in clauses (i) through (iii) of this subparagraph. While full size design or construction documents are not required, the drawings must have an accurate and legible scale and show the dimensions. All Developments involving new construction, or conversion of existing buildings not configured in the Unit pattern proposed in the Application, must provide all of the items identified in clauses (i) through (iii) of this subparagraph. For Developments involving rehabilitation for which the Unit configurations are not being altered, only the items identified in clauses (i) and (ii) of this subparagraph are required:

(i) a site plan which:

(I) is consistent with the number of Units and Unit mix specified in the "Rent Schedule" provided in the Application;

(II) identifies all residential and common buildings and amenities; and

(III) clearly delineates the flood plain boundary lines and all easements shown in the site survey;

(ii) floor plans and elevations for each type of residential building and each common area building clearly depicting the height of each floor and a percentage estimate of the exterior composition; and

(iii) Unit floor plans for each type of Unit showing special accessibility and energy features. The net rentable areas these Unit floor plans represent should be consistent with those shown in the "Rent Schedule" provided in the application. For purposes of completing the Rent Schedule for loft or studio type Units (which still must meet the definition of Bedroom), a Unit with 650 square feet or less is considered not more than a one-bedroom Unit, a Unit with 651 to 900 square feet is considered not more than a two-bedroom Unit and a Unit with greater than 900 square feet is considered not more than a three-bedroom Unit; and

(B) A boundary survey of the proposed Development site and of the property to be purchased. In cases where more property is purchased than the proposed site of the Development, the survey or plat must show the survey calls for both the larger site and the subject site. The survey does not have to be recent; but it must show the property purchased and the property proposed for development. In cases where the site of the Development is only a part of the site being purchased, the depiction or drawing of the Development portion may be professionally compiled and drawn by an architect, engineer or surveyor.

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(6) Evidence of the Development's development costs and corresponding credit request and syndication information as described in subparagraphs (A) through (G) of this paragraph.

(A) A written narrative describing the financing plan for the Development, including any non-traditional financing arrangements; the use of funds with respect to the Development; the funding sources for the Development including construction, permanent and bridge loans, rents, operating subsidies, and replacement reserves; and the commitment status of the funding sources for the Development. This information must be consistent with the information provided throughout the Application. (2306.6705(a)(1))

(B) All Developments must submit the "Development Cost Schedule" provided in the Application. This exhibit must have been prepared and executed not more than 6 months prior to the close of the Application Acceptance Period.

(C) Provide a letter of commitment from a syndicator that, at a minimum, provides an estimate of the amount of equity dollars expected to be raised for the Development in conjunction with the amount of housing tax credits requested for allocation to the Development Owner, including pay-in schedules, syndicator consulting fees and other syndication costs. No syndication costs should be included in the Eligible Basis. (2306.6705(a)(2) and (3))

(D) For Developments located in a Qualified Census Tract (QCT) as determined by the Secretary of HUD and qualifying for a 30% increase in Eligible Basis, pursuant to the Code, §42(d)(5)(C), Applicants must submit a copy of the census map clearly showing that the proposed Development is located within a QCT. Census tract numbers must be clearly marked on the map, and must be identical to the QCT number stated in the Department's Reference Manual.

(E) Rehabilitation Developments must submit a Property Condition Assessment performed in accordance with §1.36 of this title, Property Condition Assessment Guidelines. For Developments receiving financing from TX-USDA-RHS, a copy of the checklist prepared by TX-USDA-RHS may be submitted in lieu of the Property Condition Assessment. The Property Condition Assessment may be submitted as a Supplemental Threshold Report consistent with the timelines and submission documentation requirements identified in paragraph (14)(D) of this subsection.

(F) If offsite costs are included in the budget as a line item, or embedded in the site acquisition contract, or referenced in the utility provider letters, then the supplemental form "Off Site Cost Breakdown" must be provided.

(G) If projected site work costs include unusual or extraordinary items or exceed \$7,500 per Unit, then the Applicant must provide a detailed cost breakdown prepared by a Third Party engineer or architect, and a letter from a certified public accountant allocating which portions of those site costs should be included in Eligible Basis and which ones may be ineligible.

(7) Evidence of readiness to proceed as evidenced by at least one of the items under each of subparagraphs (A) through (D) of this paragraph:

(A) Evidence of site control in the name of Development Owner. If the evidence is not in the name of the Development Owner, then the documentation should reflect an expressed ability to transfer the rights to the Development Owner. All individual Persons who are members of the ownership entity of the seller of the proposed site must be identified at the time of Application (not required at Pre-Application). One of the following items described in clauses (i) through (iii) of this subparagraph must be provided:

(i) a recorded warranty deed; or

(ii) a contract for sale or lease (the minimum term of the lease must be at least 45 years) which is valid for the entire period the Development is under consideration for tax credits; or

(iii) an exclusive option to purchase or earnest money contract (which must show that the earnest money has been deposited) which is valid for the entire period the Development is under consideration for tax credits.

(iv) As described in clauses (ii) and (iii), site control must be continuous. Closing on the property is acceptable, as long as evidence is provided that there was no period in which control was not retained.

(B) Evidence from the appropriate local municipal authority that satisfies one of clauses (i) through (iii) of this subparagraph. Documentation may be from more than one department of the municipal authority and must have been prepared and executed not more than 6 months prior to the close of the Application Acceptance Period. (2306.6705(a)(5))

(i) a letter from the chief executive officer of the political subdivision or another local official with appropriate jurisdiction stating that the Development is located within the boundaries of a political subdivision which does not have a zoning ordinance; the letter must also state that the Development fulfills a need for additional affordable rental housing as evidenced in a local consolidated plan, comprehensive plan, or other local planning document; or if no such planning document exists, then the letter from the local municipal authority must state that there is a need for affordable housing.

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(ii) a letter from the chief executive officer of the political subdivision or another local official with appropriate jurisdiction stating that:

(I) the Development is permitted under the provisions of the zoning ordinance that applies to the location of the Development or that there is not a zoning requirement; or

(II) the Applicant is in the process of seeking the appropriate zoning and has signed and provided to the political subdivision a release agreeing to hold the political subdivision and all other parties harmless in the event that the appropriate zoning is denied, and a time schedule for completion of appropriate zoning. The Applicant must also provide at the time of Application a copy of the application for appropriate zoning filed with the local entity responsible for zoning approval and proof of delivery of that application in the form of a signed certified mail receipt, signed overnight mail receipt, or confirmation letter from said official. Final approval of appropriate zoning must be achieved and documentation of acceptable zoning for the Development, as proposed in the Application, must be provided to the Department at the time the Commitment Fee, or Determination Notice Fee, is paid. If this evidence is not provided with the Commitment Fee, any commitment of credits will be rescinded. No extensions may be requested for the deadline for submitting evidence of final approval of appropriate zoning.

(iii) In the case of a rehabilitation Development, if the property is currently a non-conforming use as presently zoned, a letter which discusses the items in subclauses (I) through (IV) of this clause:

(I) a detailed narrative of the nature of non-conformance;

(II) the applicable destruction threshold;

(III) owner's rights to reconstruct in the event of damage; and

(IV) penalties for noncompliance.

(C) Evidence of interim and permanent financing sufficient to fund the proposed Total Housing Development Cost less any other funds requested from the Department and any other sources documented in the Application. Such evidence must be consistent with the sources and uses of funds represented in the Application and shall be provided in one or more of the following forms described in clauses (i) through (iv) of this subparagraph:

(i) bona fide financing in place as evidenced by a valid and binding loan agreement and a deed(s) of trust in the name of the Development Owner and/or expressly allows the transfer to the Development Owner; or,

(ii) bona fide commitment or term sheet for the interim and permanent loans issued by a lending institution or mortgage company that is actively and regularly engaged in the business of lending money which is addressed to the Development Owner and which has been executed by the lender (the term of the loan must be for a minimum of 15 years with at least a 30 year amortization). The commitment must state an expiration date and all the terms and conditions applicable to the financing including the mechanism for determining the interest rate, if applicable, and the anticipated interest rate and any required Guarantors. Such a commitment may be conditional upon the completion of specified due diligence by the lender and upon the award of tax credits; or,

(iii) any Federal, State or local gap financing, whether of soft or hard debt, must be identified at the time of Application. At a minimum, evidence from the lending agency that an application for funding has been made and a term sheet which clearly describes the amount and terms of the funding, and the date by which the funding determination will be made and any commitment issued, must be submitted. Evidence of application for funding from another Department program is not required except as indicated on the Uniform Application, as long as the Department funding is on a concurrent funding period with the Application submitted and the Applicant clearly indicates that such an application has been filed as required by the Application Submission Procedures Manual. If the commitment from the other funding source has not been received by the date the Department's Commitment Notice is to be submitted, the Application will be reevaluated for financial feasibility. If the Application is infeasible without the other funding source, the Commitment Notice will be rescinded; or

(iv) if the Development will be financed through Development Owner contributions, provide a letter from an Third Party CPA verifying the capacity of the Development Owner to provide the proposed financing with funds that are not otherwise committed together with a letter from the Development Owner's bank or banks confirming that sufficient funds are available to the Development Owner. Documentation must have been prepared and executed not more than 6 months prior to the close of the Application Acceptance Period.

(D) Provide the documents in clause (i) of this subparagraph and either of the documents described in clauses (ii) and (iii) of this subparagraph, and satisfying the requirements of clause (iv) of this subparagraph, if applicable:

(i) a copy of the full legal description

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(ii) a copy of the current title policy which shows that the ownership (or leasehold) of the land/Development is vested in the exact name of the Development Owner; or

(iii) a copy of a current title commitment with the proposed insured matching exactly the name of the Development Owner and the title of the land/Development vested in the exact name of the seller or lessor as indicated on the sales contract or lease.

(iv) if the title policy or title commitment is more than six months old as of the day the Application Acceptance Period closes, then a letter from the title company indicating that nothing further has transpired on the policy or commitment.

(8) Evidence of all of the notifications described in the subparagraphs of this paragraph. Such notices must be prepared in accordance with the "Public Notifications" statement provided in the Application.

(A) Evidence of notification meeting the requirements identified in clause (i) of this subparagraph to all of the individuals and entities identified in clause (ii) of this subparagraph. Evidence of such notifications shall include a copy of the exact letter and other materials that were sent to the individual or entity, a sworn affidavit stating that they made all required notifications prior to the deadlines and a copy of the entire mailing list (which includes the names and addresses) of all of the recipients. Proof of notification must not be older than three months from the first day of the Application Acceptance Period.(2306.6704) If evidence of these notifications was submitted with the Pre-Application Threshold for the same Application and satisfied the Department's review of Pre-Application Threshold, then no additional notification is required at Application, except that re-notification is required by tax credit Applicants who have submitted a change in the Application, whether from Pre-Application to Application or as a result of a deficiency that reflects a total Unit increase of greater than 10%, an increase of greater than 10% for any given level of AMGI, or a change to the population being served (elderly, family or transitional). For Applications submitted for Tax Exempt Bond Developments or Applications not applying for Tax Credits, but applying only under other Multifamily Programs (HOME, Housing Trust Fund, etc.), notification and proof thereof must not be older than 30 days prior to the date the Application is submitted.

(i) Each such notice must include, at a minimum, all of the following:

(I) The Applicant's name, address, individual contact name and phone number;

(II) The Development name, address, city and county;

(III) A statement informing the entity or individual being notified that the Applicant is submitting a request for Housing Tax Credits with the Texas Department of Housing and Community Affairs;

(IV) Statement of whether the Development proposes new construction or rehabilitation;

(V) The type of Development being proposed (single family homes, duplex, apartments, townhomes, highrise etc.) and population being served (family, transitional, elderly) ;

(VI) The approximate total number of Units and approximate total number of low income Units;

(VII) The approximate percentage of Units serving each level of AMGI (e.g. 20% at 50% of AMGI, etc.) and the percentage of Units that are market rate;

(VIII) The number of Units and proposed rents (less utility allowances) for the low income Units and the number of Units and the proposed rents for any market rate Units. Rents to be provided are those that are effective at the time of the Pre-Application, which are subject to change as annual changes in the area median income occur; and

(IX) The expected completion date if credits are awarded.

(ii) Notification must be sent to all of the following individuals and entities. Officials to be notified are those officials in office at the time the Application is submitted.

(I) Notification to Local Elected Officials for Neighborhood Organization Input. Evidence must be provided that a letter requesting information on neighborhood organizations on record with the state or county in which the Development is to be located and whose boundaries contain the proposed Development site and meeting the requirements of "Local Elected Official Notification" as outlined in the Application was sent no later than January 15, 2005 to the local elected official for the city or if located outside of a city, then the county where the Development is proposed to be located. If the Development is located in a jurisdiction that has district based local elected officials, or both at-large and district based local elected officials, the notification must be made to the city council member or county commissioner representing that district; if the Development is located in a jurisdiction that has only at-large local elected officials, the notification must be made to the mayor or county judge for the jurisdiction. A copy of the reply letter or other official third-party documentation from the local elected official must be provided. For urban/exurban areas, entities identified in the letters from the local elected official whose boundaries include the proposed Development whose listed address has the same zip code as the zip code for the Development must be provided with written notification, and evidence of that notification must be provided. If any other zip codes exist within a half mile of the Development site, then all entities identified in the letters with those adjacent zip codes must also be provided with written notification,

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and evidence of that notification must be provided. For rural areas, all entities identified in the letters whose listed address is within a half mile of the Development site must be provided with written notification, and evidence of that notification must be provided. If the Applicant can provide evidence that the proposed Development is not located within the boundaries of an entity on a list from the local elected officials, then such evidence in lieu of notification may be acceptable. If no reply letter is received from the local elected officials by February 25, 2005, (or For Tax Exempt Bond Developments or Applications not applying for Tax Credits, but applying only for other Multifamily Programs such as HOME, Housing Trust Fund, etc., by 7 days prior to the submission of the Application) then the Applicant must submit a statement attesting to that fact. If an Applicant has knowledge of any neighborhood organizations on record with the state or county in which the Development is to be located and whose boundaries contain the proposed Development site, the Applicant must notify those organizations. The Applicant must also certify that any organizations in a response letter that are not notified do not contain the proposed Development site within their boundaries. In the event that local elected officials refer the Applicant to another source, the Applicant must also notify that source and request the same information. If the Applicant has no knowledge of neighborhood organizations within whose boundaries the Development is proposed to be located, the Applicant must attest to that fact in the format provided by the Department as part of the Application.

- (II) Superintendent of the school district containing the Development;
- (III) Presiding officer of the board of trustees of the school district containing the Development;
- (IV) Mayor of the governing body of any municipality containing the Development;
- (V) All elected members of the governing body of any municipality containing the Development;
- (VI) Presiding officer of the governing body of the county containing the Development;
- (VII) All elected members of the governing body of the county containing the Development;
- (VIII) State senator of the district containing the Development; and
- (IX) State representative of the district containing the Development.

(B) Signage on Property or Alternative. A Public Notification Sign shall be installed on the Development site prior to the date the Application is submitted. For Tax Exempt Bond Developments the sign must be installed no later than 30 days after the Department's receipt of Volumes I and II. Evidence submitted with the Application must include photographs of the site with the installed sign and invoice receipt confirming installation from the entity that installed the sign. The sign must be at least 4 feet by 8 feet in size and located within twenty feet of, and facing, the main road adjacent to the site. The sign shall be continuously maintained on the site until the day that the Board takes final action on the Application for the development. The information and lettering on the sign must meet the requirements identified in the Application. For Tax Exempt Bond Developments for which the Department is not the issuer of the bonds, the Applicant must ensure that the date, time and location of the TEFRA hearing are indicated on the sign as soon as the hearing has been scheduled. As an alternative to installing a Public Notification Sign and at the same required time, the Applicant may instead, at the Applicant's option, mail written notification to those addresses described in either clause (i) or (ii) of this subparagraph. This written notification must include the information otherwise required for the sign as provided in the Application. If the Applicant chooses to provide this mailed notice in lieu of signage, the final Application must include a map of the proposed Development site and mark the distance required by clause (i) or (ii) of this subparagraph, up to 1,000 feet, showing street names and addresses; a list of all addresses the notice was mailed to; an exact copy of the notice that was mailed; and a certification that the notice was mailed through the U.S. Postal Service and stating the date of mailing. If the option in clause (i) of this subparagraph is used, then evidence must be provided affirming the local zoning notification requirements.

(i) all addresses required for notification by local zoning notification requirements. For example, if the local zoning notification requirement is notification to all those addresses within 200 feet, then that would be the distance used for this purpose; or

(ii) for Developments located in communities that do not have zoning, communities that do not require a zoning notification, or those located outside of a municipality, all addresses located within 1,000 feet of any part of the proposed Development site.

(C) If any of the Units in the Development are occupied at the time of Application, then the Applicant must certify that they have notified each tenant at the Development and let the tenants know of the Department's public hearing schedule for comment on submitted Applications.

(9) Evidence of the Development's proposed ownership structure and the Applicant's previous experience as described in subparagraphs (A) through (E) of this paragraph.

(A) Chart which clearly illustrates the complete organizational structure of the final proposed Development Owner and of any Developer or Guarantor, providing the names and ownership percentages of all

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Persons having an ownership interest in the Development Owner or the Developer or Guarantor, as applicable, whether directly or through one or more subsidiaries.

(B) Each Applicant, Development Owner, Developer or Guarantor, or any entity shown on an organizational chart as described in subparagraph (A) of this paragraph that has 10% or more ownership interest in the Development Owner, Developer or Guarantor, shall provide the following documentation, as applicable:

(i) For entities that are not yet formed but are to be formed either in or outside of the state of Texas, a certificate of reservation of the entity name from the Texas Secretary of State; or

(ii) For existing entities whether formed in or outside of the state of Texas, evidence that the entity has the authority to do business in Texas or has applied for such authority.

(C) Evidence that each entity shown on an the organizational chart described in subparagraph (A) of this paragraph that has 10% or more ownership interest in the Development Owner, Developer or Guarantor, has provided a copy of the completed and executed Previous Participation and Background Certification Form to the Department. Evidence must be a certification from the Department for each of those Persons required to submit these documents as further described under §49.9(e)(3) of this title. Applicants must request this certification at least fourteen days prior to the close of the Application Acceptance Period. Applicants must ensure that the Person whose name is on the certification is the appropriate Person appearing in the organizational chart provided in subparagraph (A) of this paragraph.

(D) Evidence that, if the Development Owner or any of its Affiliates shown on the organizational chart described in subparagraph (A) of this paragraph that have 10% or more ownership interest in the Development Owner have, or have had, ownership or Control of affordable housing, being housing that receives any form of financing and/or assistance from any Governmental Entity for the purpose of enhancing affordability to persons of low or moderate income, outside the state of Texas, that such Persons have submitted the appropriate "National Previous Participation and Background Certification Form" to the Department. Evidence must be a certification from the Department for each of those Persons required to submit these documents as further described under §49.9(e)(4) of this title. Applicants must request this certification at least fourteen days prior to the close of the Application Acceptance Period. Applicants must ensure that the Person whose name is on the certification is the appropriate Person appearing in the organizational chart provided in subparagraph (A) of this paragraph.

(E) Evidence, in the form of a certification, that one of the Development Owner's General Partners, the Developer or their Principals have a record of successfully constructing or developing residential units in the capacity of owner, General Partner or Developer. Evidence must be a certification from the Department that the Person with the experience satisfies this exhibit, as further described under subsection (e)(1) of this section. Applicants must request this certification at least fourteen days prior to the close of the Application Acceptance Period. Applicants must ensure that the Person whose name is on the certification appears in the organizational chart provided in subparagraph (A) of this paragraph.

(10) Evidence of the Development's projected income and operating expenses as described in subparagraphs (A) through (D) of this paragraph:

(A) All Developments must provide a 30-year proforma estimate of operating expenses and supporting documentation used to generate projections (operating statements from comparable properties).

(B) If rental assistance, an operating subsidy, an annuity, or an interest rate reduction payment is proposed to exist or continue for the Development, any related contract or other agreement securing those funds must be provided, which at a minimum identifies the source and annual amount of the funds, the number of Units receiving the funds, and the term and expiration date of the contract or other agreement. (2306.6705(a)(4))

(C) Applicant must provide documentation from the source of the "Utility Allowance" estimate used in completing the Rent Schedule provided in the Application. This exhibit must clearly indicate which utility costs are included in the estimate. If there is more than one entity (Section 8 administrator, public housing authority) responsible for setting the utility allowance(s) in the area of the Development location, then the Utility Allowance selected must be the one which most closely reflects the actual utility costs in that Development area. In this case, documentation from the local utility provider supporting the selection must be provided.

(D) Occupied Developments undergoing rehabilitation must also submit the items described in clauses (i) through (iv) of this subparagraph.

(i) The items in subclauses (I) and (II) of this clause are required unless the current property owner is unwilling to provide the required documentation. In that case, submit a signed statement as to its inability to provide all documentation as described.

(I) Submit at least one of the following:

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(-a-) historical monthly operating statements of the subject Development for 12 consecutive months ending not more than 3 months from the first day of the Application Acceptance Period;

(-b-) The two most recent consecutive annual operating statement summaries;

(-c-) the most recent consecutive six months of operating statements and the most recent available annual operating summary;

(-d-) all monthly or annual operating summaries available and a written statement from the seller refusing to supply any other summaries or expressing the inability to supply any other summaries, and any other supporting documentation used to generate projections may be provided; and

(II) a rent roll not more than 6 months old as of the first day the Application Acceptance Period, that discloses the terms and rate of the lease, rental rates offered at the date of the rent roll, Unit mix, tenant names or vacancy, and dates of first occupancy and expiration of lease.

(ii) a written explanation of the process used to notify and consult with the tenants in preparing the Application; (2306.6705(a)(6))

(iii) a relocation plan outlining relocation requirements and a budget with an identified funding source; and (2306.6705(a)(6))

(iv) if applicable, evidence that the relocation plan has been submitted to the appropriate legal agency. (2306.6705(a)(6))

(11) Applications involving Nonprofit General Partners and Qualified Nonprofit Developments.

(A) All Applications involving a nonprofit General Partner, regardless of the Set-Aside applied under, must submit all of the documents described in clauses (i) and (ii) of this subparagraph: (2306.6706)

(i) an IRS determination letter which states that the nonprofit organization is a 501(c)(3) or (4) entity; and

(ii) the "Nonprofit Participation Exhibit."

(B) Additionally, all Applications applying under the Nonprofit Set-Aside, established under §49.7(b)(1) of this title, must also provide the following information with respect to the Qualified Nonprofit Organization as described in clauses (i) through (vi) of this subparagraph.

(i) copy of the page from the articles of incorporation or bylaws indicating that one of the exempt purposes of the nonprofit organization is to provide low income housing;

(ii) copy of the page from the articles of incorporation or bylaws indicating that the nonprofit organization prohibits a member of its board of directors, other than a chief staff member serving concurrently as a member of the board, from receiving material compensation for service on the board;

(iii) a Third Party legal opinion stating:

(I) that the nonprofit organization is not affiliated with or Controlled by a for-profit organization and the basis for that opinion, and

(II) that the nonprofit organization is eligible, as further described, for a Housing Credit Allocation from the Nonprofit Set-Aside and the basis for that opinion. Eligibility is contingent upon the nonprofit organization Controlling the Development, or if the organization's Application is filed on behalf of a limited partnership, or limited liability company, the Qualified Nonprofit Organization must be the controlling Managing Member; and otherwise meet the requirements of the Code, §42(h)(5);

(iv) a copy of the nonprofit organization's most recent audited financial statement; and

(v) a certification that the Qualified Nonprofit Development will have the nonprofit entity or its nonprofit affiliate or subsidiary be the Developer or co-Developer as evidenced in the development agreement.

(vi) evidence, in the form of a certification, that a majority of the members of the nonprofit organization's board of directors principally reside:

(I) in this state, if the Development is located in a rural area; or

(II) not more than 90 miles from the Development, if the Development is not located in a rural area.

(12) Applicants applying for acquisition credits, or Applicants and Development Team members affiliated with the seller that are asking for the land value to be an amount greater than the acquisition cost indicated in the original purchase contract, will be evaluated in accordance with §1.32 of this title and must provide all of the documentation described in subparagraphs (A) through (C) of this paragraph. Applicants applying for acquisition credits must also provide the items described in subparagraph (D) of this paragraph and as provided in the Application.

(A) an appraisal, not more than 6 months old as of the first day of the Application Acceptance Period, which complies with the Uniform Standards of Professional Appraisal Practice and §1.34 of this title. For Developments which require an appraisal from TX-USDA-RHS, the appraisal may be more than 6 months old, as long as TX-USDA-RHS has confirmed in writing that the existing appraisal is still acceptable. The appraisal may be

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submitted as a Supplemental Threshold Report consistent with the timelines and submission documentation requirements identified in paragraph (14)(D) of this subsection.

(B) a current valuation report from the county tax appraisal district;

(C) clear identification of the selling Persons, and any owner of the property within the last 36 months prior to the first day of the Application Acceptance Period, and details of any relationship between said selling Persons and owners and the Applicant, Developer, Property Manager, General Contractor, Qualified Market Analyst, or any other professional or other consultant performing services with respect to the Development. Only in the event that such relationship exists, the following documents must be provided:

(i) documentation of the original acquisition cost, such as a settlement statement;

(ii) any other verifiable costs of owning, holding, or improving the property that when added to the value from clause (i) of this subparagraph justifies the Applicant's proposed acquisition amount:

(I) for land-only transactions, documentation of owning, holding or improving costs since the original acquisition date may include property taxes, interest expense, a calculated return on equity at a rate consistent with the historical returns of similar risks, the cost of any physical improvements made to the property, the cost of rezoning, replatting or developing the property, or any costs to provide or improve access to the property;

(II) for transactions which include existing buildings that will be rehabilitated or otherwise maintained as part of the Development, documentation of owning, holding, or improving costs since the original acquisition date may include capitalized costs of improvements to the property, a calculated return on equity at a rate consistent with the historical returns of similar risks, and allow the cost of exit taxes not to exceed an amount necessary to allow the sellers to be made whole in the original and subsequent investment in the property and avoid foreclosure; and

(D) "Acquisition of Existing Buildings Form."

(13) Evidence of an "Acknowledgement of Receipt of Financial Statement and Authorization to Release Credit Information" must be provided for any Person that has 10% or more ownership interest in the Development Owner or General Partner, the Developer, or Guarantor, as required under §49.9(e)(2) of this title. Entities that have not yet been formed and entities that have been formed recently but have no assets, liabilities, or net worth are not required to submit this documentation, but must submit a statement with their Application that this is the case in lieu of submitting the Acknowledgement.

(14) Supplemental Threshold Reports. Documents under subparagraph (A) and (B) of this paragraph must be submitted as further stated in subparagraph (C) and (D) of this paragraph and in accordance with the Market Analysis Rules and Guidelines and Environmental Site Assessment Rules and Guidelines, §§1.33 and 1.35 of this title.

(A) A Phase I Environmental Site Assessment (ESA) on the subject Property, dated not more than 12 months prior to the first day of the Application Acceptance Period. In the event that a Phase I Environmental Site Assessment on the Development is more than 12 months old prior to the first day of the Application Acceptance Period, the Applicant must supply the Department with an updated letter or updated report dated no older than three months prior to the first day of the Application Acceptance Period from the Person or organization which prepared the initial assessment confirming that the site has been re-inspected and reaffirming the conclusions of the initial report or identifying the changes since the initial report; The ESA must be prepared in accordance with the Department Environmental Site Assessment Rules and Guidelines. Developments whose funds have been obligated by TX-USDA-RHS will not be required to supply this information; however, the Applicants of such Developments are hereby notified that it is their responsibility to ensure that the Development is maintained in compliance with all state and federal environmental hazard requirements.

(B) A comprehensive Market Analysis prepared at the Applicant's expense by a disinterested Qualified Market Analyst approved by the Department in accordance with the approval process outlined in the Market Analysis Rules and Guidelines, §1.33 of this title. In addition to the document submitted in paper form, an electronic version must also be submitted. The Market Analysis must be prepared in accordance with the methodology prescribed in the Market Analysis Rules and Guidelines, §1.33 of this title. In the event that a Market Analysis on the Development is older than 6 months as of the first day of the Application Acceptance Period, the Applicant must supply the Department with an updated Market Analysis from the Person or organization which prepared the initial report; however the Department will not accept any Market Analysis which is more than 12 months old as of the first day of the Application Acceptance Period. The Market Analysis should be prepared for and addressed to the Department. For Applications in the TX-USDA-RHS Set-Aside, the appraisal, required under paragraph (12)(A) of this subsection, will satisfy the requirement for a Market Analysis; no additional Market Analysis is required; however the Department may request additional information as needed. (2306.67055 as added Section 21 of 2306) (§42(m)(1))

(i) The Department may determine from time to time that information not required in the Department Market Analysis and Appraisal Rules and Guidelines will be relevant to the Department's evaluation

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of the need for the Development and the allocation of the requested Housing Credit Allocation Amount. The Department may request additional information from the Qualified Market Analyst to meet this need.

(ii) All Applicants acknowledge by virtue of filing an Application that the Department is not bound by any opinion expressed in the Market Analysis and may substitute its own analysis and underwriting conclusions for those submitted by the Qualified Market Analyst.

(C) Inserted at the front of each of these reports must be a transmittal letter from the individual preparing the report that states that the Department is granted full authority to rely on the findings and conclusions of the report.

(D) The requirements for each of the reports identified in subparagraphs (A) and (B) of this paragraph can be satisfied in either of the methods identified in clauses (i) or (ii) of this subparagraph.

(i) Upon Application submission, the documentation for each of these exhibits may be submitted in its entirety as described in subparagraphs (A) and (B) of this paragraph; or

(ii) Upon Application submission, the Applicant may provide evidence in the form of an executed engagement letter with the party performing each of the individual reports that the required exhibit has been commissioned to be performed and that the delivery date will be no later than April 1, 2005. In addition to the submission of the engagement letter with the Application, a map must be provided that reflects the Qualified Market Analyst's intended market area. Subsequently, the entire exhibit must be submitted on or before 5:00 p.m. CST, April 1, 2005. If the entire exhibit is not received by that time, the Application will be terminated and will be removed from consideration.

(15) Self-Scoring. Applicant's self-score must be completed on the "Application Self-Scoring Form."

(g) **Selection Criteria.** All Applications will be scored and ranked using the point system identified in this subsection. Maximum Total Points: 209.

(1) **Financial Feasibility of the Development.** Financial Feasibility of the Development based on the supporting financial data required in the Application that will include a Development underwriting pro forma from the permanent or construction lender. (2306.6710(b)(1)) Applications may qualify to receive 28 points for this item. Evidence will include the documentation required for this exhibit in addition to the commitment letter required under subsection (f)(7)(C) of this section. The supporting financial data shall include a thirty year pro forma prepared by the permanent or construction lender specifically identifying each of the first ten years and every fifth year thereafter. The pro forma must indicate that the development pro forma maintains a 1.10 debt coverage ratio throughout the initial thirty years proposed for all third party lenders that require scheduled repayment. In addition, the commitment letter must state that the lender's assessment finds that the Development will be feasible for thirty years. Points will be awarded if these criteria are met. No partial points will be awarded. For Developments receiving financing from TX-USDA-RHS, the form entitled "Sources and Uses Comprehensive Evaluation for Multi-Family Housing Loans" or other form deemed acceptable by the Department shall meet the requirements of this section.

(2) **Quantifiable Community Participation from Neighborhood Organizations on Record with the State or County and Whose Boundaries Contain the Proposed Development Site.** Points will be awarded based on written statements of support or opposition from neighborhood organizations on record with the state or county in which the Development is to be located and whose boundaries contain the proposed Development site. (§2306.6710(b)(1); §2306.6725(a)(2)). It is possible for points to be awarded or deducted based on written statements from organizations that were not identified by the process utilized for notification purposes under subsection (f)(8)(A)(ii)(I) of this section if the organization provides the information and documentation required below. It is also possible that neighborhood organizations that were initially identified as appropriate organizations for purposes of the notification requirements will subsequently be determined by the Department not to meet the requirements for scoring.

(A) **Basic Submission Requirements for Scoring.** Each neighborhood organization may submit one letter (and enclosures) that represents the organization's input. In order to receive a point score, the letter (and enclosures) must be received by the Department no later than April 1, 2005, directly from the neighborhood organization or with the Application. Letters should be addressed to the Texas Department of Housing and Community Affairs, "Attention: Executive Director (Neighborhood Input)." Letters received after April 1, 2005 will be summarized for the Board's information and consideration, but will not affect the score for the Application. The organization's letter (and enclosures) must:

(i) state the name and location of the proposed Development on which input is provided. A letter may provide input on only one proposed Development; if an organization desires to provide input on additional Developments, each Development must be addressed in a separate letter;

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(ii) be signed by the chairman of the board, chief executive officer, or comparable head of the organization, and provide the signer's mailing address, phone number, and an e-mail address or facsimile number for the organization;

(iii) establish that the organization has boundaries, state what the boundaries are, and establish that the boundaries contain the proposed development site. A map must be provided with the geographic boundaries of the organization and the proposed Development site clearly marked within those boundaries;

(iv) establish that the organization is a "neighborhood organization." A "neighborhood organization" is defined as an organization of persons living near one another within the organization's defined boundaries that contain the proposed Development site and that has a primary purpose of working to maintain or improve the general welfare of the neighborhood. "Neighborhood organizations" include homeowners associations, property owners associations, and public housing resident councils (for the property occupied by the residents). "Neighborhood organizations" do not include broader based "community" organizations; organizations that have no members other than board members; chambers of commerce; community development corporations; churches; school related organizations; Lions, Rotary, Kiwanis, and similar organizations; Habitat for Humanity; Boys and Girls Clubs; charities; public housing authorities; or any governmental entity. Organizations whose boundaries include an entire county or larger area are not "neighborhood organizations." Organizations whose boundaries include an entire city are generally not "neighborhood organizations."

(v) include documentation showing that the organization is on record as of March 1, 2005 with the state or county in which the Development is proposed to be located. A record from the Secretary of State showing that the organization is incorporated or from the county clerk showing that the organization is on record with the county is sufficient. For a property owners association, a record from the county showing that the organization's management certificate is on record is sufficient. The documentation must be from the state or county and be current. If an organization's status with the Secretary of State at any time during the Application Round is shown as "forfeited," "dissolved," or any similar status, the organization will not be considered on record with the state. It is insufficient to be "on record" to provide only a request to the county or a state entity to be placed on record or to show that the organization has corresponded with such an entity or used its services or programs. It is insufficient to show that the organization is on record with a city. As an option to be considered on record with the state, a letter including a contact name with a mailing address and phone number; name and position of officers; and a written description and map of the organization's geographical boundaries must be received by the Department no later than March 1, 2005 to place the organization on record with the state. The letter should be addressed to the Texas Department of Housing and Community Affairs, "Attention: Executive Director (Recording of Neighborhood Organization)". Acceptance of this documentation by the Department will satisfy the "on record with the state" requirement, but is not a determination that the organization is a "neighborhood organization" or that other requirements are met.

(vi) accurately state that the neighborhood organization was not formed by any Applicant, Developer, or any employee or agent of any Applicant in the 2005 tax credit Application Round and that the organization and any member did not accept money or a gift to cause the neighborhood organization to take its position of support or opposition.

(vii) state the total number of members of the organization and provide a brief description of the process used to determine the members' position of support or opposition. The organization is encouraged to hold a meeting to which all the members of the organization are invited to consider whether the organization should support, oppose, or be neutral on the proposed Development, and to have the membership vote on whether the organization should support, oppose, or be neutral on the proposed Development. The organization is also encouraged to invite the developer to this meeting.

(B) Scoring of Letters (and Enclosures). To be scored, the letter (and enclosures) must provide "quantifiable" input. The input must clearly and concisely state each reason for the organization's support for or opposition to the proposed Development.

(i) The score for this exhibit will range from a maximum of +24 for the strongest position of support to +12 for the neutral position to 0 for the strongest position of opposition. The number of points to be allocated to each organization's letter will be recommended by the Executive Award and Review Advisory Committee based on the factual basis of the organization's letter and evidence enclosed with the letter. The final score will be determined by the Executive Director. The Department may investigate a matter and contact the Applicant and neighborhood organizations for more information. The Department may consider any relevant information specified in letters from other neighborhood organizations regarding a development in determining a score.

(ii) The Department highly values quality public input addressed to the merits of a Development. Input that points out possible errors in the Department's analysis and matters that are specific to the neighborhood, the proposed site, the proposed Development, or Developer are valued. If a proposed

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Development is permitted by the existing or pending zoning or absence of zoning, concerns addressed by the allowable land use that are related to any multifamily development may generally be considered to have been addressed at the local level through the land use planning process. Input concerning positive efforts or the lack of efforts by the Applicant to inform and communicate with the neighborhood about the proposed Development is highly valued. If the neighborhood organization refuses to communicate with the Applicant the efforts of the Applicant will not be considered negative. Input that evidences unlawful discrimination against classes of persons protected by Fair Housing law or the scoring of which the Department determines to be contrary to the Department's efforts to affirmatively further fair housing will not be considered.

(iii) In general, letters that meet the requirements of this paragraph and

(I) establish three or more reasons for support or opposition will be scored the maximum points for either support (+24 points) or opposition (zero);

(II) establish two reasons for support or opposition will be scored up to +18 points for support or +6 points for opposition;

(III) establish one reason for support or opposition will be scored +13 points for support or +11 points for opposition;

(IV) that do not establish a reason for support or opposition or that are unclear will be scored as neutral (+12 points).

(iv) Applications for which no letters from neighborhood organizations are scored will receive a neutral score of +12 points.

(C) Basic Submission Deficiencies. The Department is authorized but not required to request that the neighborhood organization provide additional information or documentation the Department deems relevant to clarify information contained in the organization's letter (and enclosures). If the Department determines to request additional information from an organization, it will do so by e-mail or facsimile to the e-mail address or facsimile number provided with the organization's letter. If the deficiencies are not clarified or corrected in the Department's determination within ten business days from the date the e-mail or facsimile is sent to the organization, the organization's letter will not be considered further for scoring and the organization will be so advised. This potential deficiency process does not extend any deadline required above for the "Quantifiable Community Participation" process. An organization may not submit additional information or documentation after the April 1, 2005 deadline except in response to an e-mail or facsimile from the Department specifically requesting additional information.

(3) **The Income Levels of Tenants of the Development.** Applications may qualify to receive up to 22 points for qualifying under only one of subparagraphs (A) through (F) of this paragraph. To qualify for these points, the tenant incomes must not be higher than permitted by the AMGI level. The Development Owner, upon making selections for this exhibit, will set aside Units at the levels of AMGI and will maintain the percentage of such Units continuously over the compliance and extended use period as specified in the LURA. These income levels require corresponding rent levels that do not exceed 30% of the income limitation in accordance with §42(g). (2306.6710(b)(1)(C); 2306.111(g)(3)(B); 2306.6710(e); 42(m)(1)(B)(ii)(I); 2306.111(g)(3)(E)) Use normal rounding for this exhibit.

(A) 22 points if at least 80% of the Total Units in the Development are set-aside with incomes at or below 50% of AMGI; or

(B) 22 points if at least 10% of the Total Units in the Development are set-aside with incomes at or below 30% of AMGI; or

(C) 20 points if at least 60% of the Total Units in the Development are set-aside with incomes at or below 50% of AMGI; or

(D) 18 points if at least 40% of the Total Units in the Development are set-aside with incomes at or below a combination of 50% and 30% of AMGI in which at least 5% of the Total Units are at or below 30% of AMGI; or

(E) 16 points if at least 40% of the Total Units in the Development are set-aside with incomes at or below 50% of AMGI; or

(F) 14 points if at least 35% of the Total Units in the Development are set-aside with incomes at or below 50% of AMGI.

(4) **The Size and Quality of the Units (Development Characteristics).** Applications may qualify to receive up to 20 points. Applications may qualify for points under both subparagraphs (A) and (B) of this paragraph. (2306.6710(b)(1)(D); 2306.6725(b)(1); 42(m)(1)(C))

(A) **Size of the Units.** Applications may qualify to receive 6 points. The Development must meet the minimum requirements identified in this subparagraph to qualify for points. Six points for this item will be automatically granted for Applications involving rehabilitation, Developments receiving funding from TX-USDA-RHS, or Developments proposing single room occupancy without meeting these square footage minimums. The

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square feet of all of the Units in the Development, for each type of Unit, must be at least the minimum noted below.

- (i) 500 square feet for an efficiency unit;
- (ii) 650 square feet for a non-elderly one bedroom unit; 550 square feet for an elderly one bedroom unit;
- (iii) 900 square feet for a non-elderly two bedroom unit; 750 square feet for an elderly two bedroom unit;
- (iv) 1,000 square feet for a three bedroom unit; and
- (v) 1,200 square feet for a four bedroom unit.

(B) Quality of the Units. Applications may qualify to receive up to 14 points. Applications in which Developments provide specific amenity and quality features in every Unit at no extra charge to the tenant will be awarded points based on the point structure provided in clauses (i) through (xix) of this subparagraph, not to exceed 14 points in total. Applications involving rehabilitation or single room occupancy may double the points listed for each item, not to exceed 14 points in total.

- (i) Covered entries (1 point);
- (ii) Nine foot ceilings (1 point);
- (iii) Microwave ovens (1 point);
- (iv) Self-cleaning or continuous cleaning ovens (1 point);
- (v) Ceiling fixtures in all rooms (light with ceiling fan in all bedrooms) (1 point);
- (vi) Refrigerator with icemaker (1 point);
- (vii) Laundry connections (2 points);
- (viii) Storage room or closet, of approximately 9 square feet or greater, which does not include bedroom, entryway or linen closets - does not need to be in the Unit but must be on the property site (1 point);
- (ix) Laundry equipment (washers and dryers) for each individual unit (3 points);
- (x) Thirty year architectural shingle roofing (1 point);
- (xi) Covered patios or covered balconies (1 point);
- (xii) Covered parking (including garages) of at least one covered space per Unit (2 points);
- (xiii) 100% masonry on exterior, which can include stucco, cementitious board products, concrete brick and mortarless concrete masonry, but not EFIS(3 points);
- (xiv) Greater than 75% masonry on exterior, which can include stucco and cementitious board products, concrete brick and mortarless concrete masonry, but not EFIS (1 points);
- (xv) Use of energy efficient alternative construction materials (structurally insulated panels) with wall insulation at a minimum of R-20 (3 points).
- (xvi) R-15 Walls / R-30 Ceilings (rating of wall system) (3 points);
- (xvii) 14 SEER HVAC or evaporative coolers in dry climates for new construction or radiant barrier in the attic for rehabilitation (3 points);(WG)
- (xviii) Energy Star or equivalently rated kitchen appliances (2 points); or
- (xix) High Speed Internet service to all Units at no cost to residents (2 points).

(5) **The Commitment of Development Funding by Local Political Subdivisions.** Applications may qualify to receive up to 18 points for qualifying under either or both (A) or (B) of this paragraph. (2306.6710(b)(1)(E))

(A) Evidence that the proposed Development has received an allocation of funds for on-site development costs from a local political subdivision. In addition to loans or grants, in-kind contributions such as donation of land or waivers of fees such as building permits, water and sewer tap fees, or similar contributions that benefit the Development will be acceptable to qualify for these points. Points will be determined on a sliding scale based on the amount per Unit. Evidence to be submitted with the Application must include a copy of the commitment of funds or a copy of the application to the funding entity and a letter from the funding entity indicating that the application was received, or a certification of intent to apply for funding that indicates the funding entity and program to which the application will be submitted, the loan amount to be applied for and the specific proposed terms. At the time the executed Commitment Notice is required to be submitted, the Applicant or Development Owner must provide evidence of a commitment for the sufficient local funding to the Department. If the funding commitment from the local political subdivision has not been received by the date the Department's Commitment Notice is to be submitted, the Application will be evaluated to determine if the loss of these points would have resulted in the Department's not committing the tax credits. If the loss of points would have made the Application noncompetitive, the Commitment Notice will be rescinded and the credits reallocated. If the Application would still be competitive even with the loss of points and the loss would not have impacted the recommendation for an award, the Application will be reevaluated for financial feasibility. If the Application is infeasible without the local political subdivision's funds, the Commitment Notice will be rescinded and the credits reallocated. Use normal rounding. No funds from TDHCA's HOME (with the exception of

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Developments located in non-Participating Jurisdictions) or Housing Trust Fund sources will qualify under this category.

- (i) A contribution of \$500 to \$1,000 per Low Income Unit receives 6 points; or
- (ii) A contribution of \$1,001 to \$3,500 per Low Income Unit receives 12 points; or
- (iii) A contribution of \$3,501 or more per Low Income Unit receives 18 points; or

(B) Evidence that the proposed Development will receive development-based Housing Choice, rental assistance vouchers, or rental assistance subsidy approved by the Annual Contributions Contract (ACC) between a public housing authority and HUD, all being from a local political subdivision for a minimum of five years. Evidence at the time the Application is submitted must include a copy of the commitment of funds or a copy of the application to the funding entity and a letter from the funding entity indicating that the application was received, or a certification of intent to apply for funding that indicates the funding entity and program to which the application will be submitted. At the time the executed Commitment Notice is required to be submitted, the Applicant or Development Owner must provide evidence of a commitment for the vouchers to the Department. If the funding commitment from the local political subdivision has not been received by the date the Department's Commitment Notice is to be submitted, the Application will be evaluated to determine if the loss of these points would have resulted in the Department's not committing the tax credits. If the loss of points would have made the Application noncompetitive, the Commitment Notice will be rescinded and the credits reallocated. If the Application would still be competitive even with the loss of points and the loss would not have impacted the recommendation for an award, the Application will be reevaluated for financial feasibility. If the Application is infeasible without the local political subdivision's funds, the Commitment Notice will be rescinded and the credits reallocated. No funds from the Department's HOME (with the exception of Developments located in non-Participating Jurisdictions) or Housing Trust Fund sources will qualify under this category. Use normal rounding. HUD must approve the vouchers no later than the time the 10% Test Documentation is submitted to the Department or the Commitment will be rescinded.

- (i) Development-Based Vouchers for 3% to 5% of the total Units receives 6 points; or
- (ii) Development-Based Vouchers for 6% to 8% of the total Units receives 12 points; or
- (iii) Development-Based Vouchers for 9% or more of the total Units receives 18 points.

(6) **The Level of Community Support from State Elected Officials.** The level of community support for the application, evaluated on the basis of written statements from state elected officials. (2306.6710(b)(1)(F); 2306.6725(a)(2)) Applications may qualify to receive up to 14 points for this item. Points will be awarded based on the written statements of support or opposition from state elected officials representing constituents in areas that include the location of the Development. Letters of support must identify the specific Development and must clearly state support for or opposition to the specific Development. This documentation will be accepted with the Application or through delivery to the Department from the Applicant or official by April 1, 2005. Officials to be considered are those officials in office at the time the Application is submitted. Letters of support from state officials that do not represent constituents in areas that include the location of the Development will not qualify for points under this Exhibit. Neutral letters, or letters that do not specifically refer to the Development, will receive neither positive nor negative points. Letters from State of Texas Representative or Senator: support letters are 7 points each for a maximum of 14 points; opposition letters are -7 points each for a maximum of -14 points.

(7) **The Rent Levels of the Units.** Applications may qualify to receive up to 12 points for qualifying under this exhibit. (2306.6710(b)(1)(G)) Use normal rounding for this section. If 80% or fewer of the Units in the Development (excluding any Units reserved for a manager) are restricted to having rents plus the allowance for utilities equal to or below the maximum tax credit rent, then the Development shall be awarded 7 points. If between 81% and 85% of the Units in the Development (excluding any Units reserved for a manager) are restricted to having rents plus the allowance for utilities equal to or below the maximum tax credit rent, then the Development shall be awarded 8 points. If between 86% and 90% of the Units in the Development (excluding any Units reserved for a manager) are restricted to having rents plus the allowance for utilities equal to or below the maximum tax credit rent, then the Development shall be awarded 9 points. If between 91% and 95% of the Units in the Development (excluding any Units reserved for a manager) are restricted to having rents plus the allowance for utilities equal to or below the maximum tax credit rent, then the Development shall be awarded 10 points. If greater than 95% of the Units in the Development (excluding any Units reserved for a manager) are restricted to having rents plus the allowance for utilities equal to or below the maximum tax credit rent, then the Development shall be awarded 12 points. Developments that are scattered site or 100% transitional will receive the full 12 points provided that they have received points under paragraph (3) of this subsection.

(8) **The Cost of the Development by Square Foot (Development Characteristics).** Applications may qualify to receive 10 points for this item. (2306.6710(b)(1)(H); 42(m)(1)(C)) For this exhibit, costs shall be

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defined as construction costs, including site work, contingency, contractor profit, overhead and general requirements, as represented in the Development Cost Schedule. This calculation does not include indirect construction costs. The calculation will be costs per square foot of net rentable area (NRA). The calculations will be based on the cost listed in the Development Cost Schedule and NRA shown in the Rent Schedule of the Application. Developments qualify for 10 points if their costs do not exceed \$75 per square foot for Qualified Elderly, Transitional, and Single Room Occupancy Developments, unless located in a "First Tier County" in which case their costs do not exceed \$77 per square foot; and \$65 for all other Developments, unless located in a "First Tier County" in which case their costs do not exceed \$67 per square foot. For 2005, the First Tier Counties are Aransas, Calhoun, Chambers, Jefferson, Kleberg, Nueces, San Patricio, Brazoria, Cameron, Galveston, Kennedy, Matagorda, Refugio and Willacy. (10 points)

(9) The Services to be Provided to Tenants of the Development. Applications may qualify to receive up to 8 points. Applications may qualify for points under both subparagraphs (A) and (B) of this paragraph. (2306.6710(b)(1)(I); 2306.254; 2306.6725(a)(1); Rider 6 of Appropriations)

(A) Applicants will receive points for coordinating their tenant services with those services provided through state workforce development and welfare programs as evidenced by execution of a Tenant Supportive Services Certification (2 points).

(B) The Applicant must certify that the Development will provide a combination of special supportive services appropriate for the proposed tenants. The provision of supportive services will be included in the LURA as selected from the list of services identified in this subparagraph. No fees may be charged to the tenants for any of the services. Services must be provided on-site or transportation to off-site services must be provided (maximum of 6 points).

(i) Applications will be awarded points for selecting services listed in clause (ii) of this subparagraph based on the following scoring range:

(I) Two points will be awarded for providing one of the services; or

(II) Four points will be awarded for providing two of the services; or

(III) Six points will be awarded for providing three of the services.

(ii) Service options include child care; transportation; basic adult education; legal assistance; counseling services; GED preparation; English as a second language classes; vocational training; home buyer education; credit counseling; financial planning assistance or courses; health screening services; health and nutritional courses; organized team sports programs or youth programs; scholastic tutoring; any other programs described under Title IV-A of the Social Security Act (42 U.S.C. §§ 601 et seq.) which enables children to be cared for in their homes or the homes of relatives; ends the dependence of needy families on government benefits by promoting job preparation, work and marriage; prevents and reduces the incidence of out-of-wedlock pregnancies; and encourages the formation and maintenance of two-parent families; any services addressed by §2306.254 Texas Government Code; or any other services approved in writing by the Department.

(10) Housing Needs Characteristics. (42(m)(1)(C)(ii)) Applications may qualify to receive up to 7 points. Each Application, based on the place or county where the Development is located, will receive a score based on the Uniform Housing Needs Scoring Component. If a Development is in a place, the place score will be used. If a Development is not within a place, then the county score will be used. The Uniform Housing Needs Scoring Component scores for each place and county will be published in the Reference Manual.

(11) Development Includes the Use of Existing Housing as part of a Community Revitalization Plan (Development Characteristics). Applications may qualify to receive 7 points for this item. (42(m)(1)(C)(iii)) The Development is an existing Residential Development and the proposed rehabilitation or demolition and reconstruction is part of a community revitalization plan.

(12) Pre-Application Participation Incentive Points. (2306.6704) Applications which submitted a Pre-Application during the Pre-Application Acceptance Period and meet the requirements of this paragraph will qualify to receive 6 points for this item. To be eligible for these points, the Application must:

(A) be for the identical site as the proposed Development in the Pre-Application;

(B) have met the Pre-Application Threshold Criteria;

(C) be serving the same target population (family, elderly, and transitional) as in the Pre-Application;

(D) be serving the same target Set-Asides as indicated in the Pre-Application (Set-Asides can be dropped between Pre-Application and Application, but no Set-Asides can be added); and

(E) be awarded by the Department an Application score that is not more than 5% greater or less than the number of points awarded by the Department at Pre-Application, with the exclusion of points for support and opposition under subsections (g)(2) and (g)(6) of this title. An Applicant must choose, at the time of Application either clause (i) or (ii) of this subparagraph:

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(i) to request the Pre-Application points and have the Department cap the Application score at no greater than the 5% increase regardless of the total points accumulated in the scoring evaluation. This allows an Applicant to avoid penalty for increasing the point structure outside the 5% range from Pre-Application to Application; or

(ii) to request that the Pre-Application points be forfeited and that the Department evaluate the Application as requested in the self-scoring sheet.

(13) **Development Location.** (2306.6725(a)(4) and (b)(2); 2306.127; 42(m)(1)(C)(i); 42 U.S.C. 3608(d) and (e)(5)) Applications may qualify to receive 4 points. Evidence, not more than 6 months old from the date of the close of the Application Acceptance Period, that the subject Property is located within one of the geographical areas described in subparagraphs (A) through (H) of this paragraph. Areas qualifying under any one of the subparagraphs (A) through (H) of this paragraph will receive 4 points. An Application may only receive points under one of the subparagraphs (A) through (H) of this paragraph.

(A) A geographical area which is an Economically Distressed Area; a Colonia; or a Difficult Development Area (DDA) as specifically designated by the Secretary of HUD.

(B) a designated state or federal empowerment/enterprise zone, urban enterprise community, or urban enhanced enterprise community. Such Developments must submit a letter and a map from a city/county official verifying that the proposed Development is located within such a designated zone. Letter should be no older than 6 months from the first day of the Application Acceptance Period.

(C) a city or county-sponsored area or zone where a city or county has, through a local government initiative, specifically encouraged or channeled growth, neighborhood preservation, or redevelopment. Such Developments must submit all of the following documentation: a letter from a city/county official verifying that the proposed Development is located within the city or county-sponsored zone or district; a map from the city/county official which clearly delineates the boundaries of the district; and a certified copy of the appropriate resolution or documentation from the mayor, local city council, county judge, or county commissioners court which documents that the designated area was created by the local city council/county commission, and targets a specific geographic area which was not created solely for the benefit of the Applicant.

(D) the Development is located in a county that has received an award as of November 15, 2004, within the past three years, from the Texas Department of Agriculture's Rural Municipal Finance Program or Real Estate Development and Infrastructure Program. Cities which have received one of these awards are categorized as awards to the county as a whole so Developments located in a different city than the city awarded, but in the same county, will still be eligible for these points.

(E) the Development is located in a census tract in which there are no other existing developments supported by housing tax credits. Applicant must provide evidence. [(2306.6725(b)(2))]

(F) the Development is located in a census tract which has a median family income (MFI), as published by the United States Bureau of the Census (U.S. Census), that is higher than the median family income for the county in which the census tract is located. This comparison shall be made using the most recent data available as of the date the Application Round opens the year preceding the applicable program year. Developments eligible for these points must submit evidence documenting the median income for both the census tract and the county.

(G) the proposed Development will serve families with children (at least 70% of the Units must have an eligible bedroom mix of two bedrooms or more) and is proposed to be located in an elementary school attendance zone of an elementary school that has an academic rating of "Exemplary" or "Recognized," or comparable rating if the rating system changes. The date for consideration of the attendance zone is that in existence as of the opening date of the Application Round and the academic rating is the most current rating determined by the Texas Education Agency as of that same date. (42(m)(1)(C)(vii))

(H) the proposed Development will expand affordable housing opportunities for low income families with children outside of poverty areas. This must be demonstrated by showing that the Development will serve families with children (at least 70% of the Units must have an eligible bedroom mix of two bedrooms or more) and that the census tract in which the Development is proposed to be located has no greater than 10% poverty population according to the most recent census data. (42(m)(1)(C)(vii))

(14) **Exurban Developments or Reconstruction or Rehabilitation of Developments (Development characteristics).** Applications may qualify to receive 7 points if the Development is located in an incorporated place or census designated place that is not a Rural Area but has a population no greater than 100,000 based on the most current available information published by the United States Bureau of the Census as of October 1 of the year preceding the applicable program year, or if a Development is proposed for reconstruction or rehabilitation (in whole or in part, on-site or off-site) that will be financed, in part, with HOPE VI financing or HUD capital grant financing provided that the Application is a joint venture partnership between the public

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housing authority or an entity formed by the public housing authority and private market interests (either for profit or nonprofit).

(15) **Tenant Populations with Special Housing Needs.** Applications may qualify to receive 4 points for this item. (42(m)(1)(C)(v)) Evidence that the Development is designated for transitional housing for homeless persons on a non-transient basis, with supportive services designed to assist the homeless tenants in locating and retaining permanent housing. For the purpose of this exhibit, homeless persons are individuals or families that lack a fixed, regular, and adequate nighttime residence as more fully defined in 24 Code of Federal Regulations, §91.5, as may be amended from time to time. All of the items described in subparagraphs (A) through (E) of this paragraph must be submitted. If all Units in the Development are designed solely for transitional housing for homeless persons, 4 points will be awarded.

- (A) a detailed narrative describing the type of proposed housing;
- (B) a referral agreement, not more than 12 months old from the first day of the Application Acceptance Period, with an established organization which provides services to the homeless;
- (C) a marketing plan designed to attract qualified tenants and housing providers;
- (D) a list of supportive services; and
- (E) adequate additional income source to supplement any anticipated operating and funding gaps.

(16) **Length of Affordability Period.** Applications may qualify to receive up to 4 points. (2306.6725(a)(5); 2306.111(g)(3)(C); 2306.185(a)(1); 2306.6710(e)(2); 42(m)(1)(B)(ii)(II)) In accordance with the Code, each Development is required to maintain its affordability for a 15-year compliance period and, subject to certain exceptions, an additional 15-year extended use period. Development Owners that are willing to extend the affordability period for a Development beyond the 30 years required in the Code may receive points as follows:

- (A) Add 5 years of affordability after the extended use period for a total affordability period of 35 years (2 points); or
- (B) Add 10 years of affordability after the extended use period for a total affordability period of 40 years (4 points)

(17) **Site Characteristics.** Sites will be evaluated based on proximity to amenities, the presence of positive site features and the absence of negative site features. Sites will be rated based on the criteria below.

(A) Proximity of site to amenities. Developments located on sites within a one mile radius (two-mile radius for Developments competing for a Rural Regional Allocation) of at least three services appropriate to the target population will receive four points. A site located within one-quarter mile of public transportation or located within a community that has "on demand" transportation, or specialized elderly transportation for Qualified Elderly Developments, will receive full points regardless of the proximity to amenities, as long as the Applicant provides appropriate evidence of the transportation services used to satisfy this requirement. If a Development is providing its own specialized van or on demand service, then this will be a requirement of the LURA. Only one service of each type listed below will count towards the points. A map must be included identifying the development site and the location of the services, as well as written directions from the site to each service. The services must be identified by name on the map and in the written directions. If the services are not identified by name, points will not be awarded. All services must exist or, if under construction, must be at least 50% complete by the date the Application is submitted. (4 points)

- (i) Full service grocery store or supermarket
- (ii) Pharmacy
- (iii) Convenience Store/Mini-market
- (iv) Department or Retail Merchandise Store
- (v) Bank/Credit Union
- (vi) Restaurant (including fast food)
- (vii) Indoor public recreation facilities, such as civic centers, community centers, and libraries
- (viii) Outdoor public recreation facilities such as parks, golf courses, and swimming pools
- (ix) Hospital/medical clinic
- (x) Doctor's offices (medical, dentistry, optometry)
- (xi) Public Schools (only eligible for Developments that are not Qualified Elderly Developments)
- (xii) Senior Center (only eligible for Qualified Elderly Developments)

(B) **Negative Site Features.** Sites with the following negative characteristics will have points deducted from their score. For purpose of this exhibit, the term 'adjacent' is interpreted as sharing a boundary with the Development site. The distances are to be measured from all boundaries of the Development site. Applicants must indicate on a map the location of any negative site feature, with the exception of slope which must be documented with an engineer's certificate to ensure that points are not deducted. If an Applicant

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negligently fails to note a negative feature, double points will be deducted from the score or the Application may be terminated. If none of these negative features exist, the Applicant must sign a certification to that effect. (-5 points)

(i) Developments located adjacent to or within 300 feet of junkyards will have 1 point deducted from their score.

(ii) Developments located adjacent to or within 300 feet of active railroad tracks will have 1 point deducted from their score. Rural Developments funded through TX-USDA-RHS are exempt from this point deduction.

(iii) Developments located adjacent to or within 300 feet of heavy industrial uses such as manufacturing plants will have 1 point deducted from their score.

(iv) Developments located adjacent to or within 300 feet of a solid waste or sanitary landfills will have 1 point deducted from their score.

(v) Developments located adjacent to or within 100 feet of high voltage transmission power lines will have 1 point deducted from their score.

(18) **Development Size.** The Development consists of not more than 36 Units and is not a part of, or contiguous to, a larger Development (3 points).

(19) **Qualified Census Tracts with Revitalization.** Applications may qualify to receive 2 points for this item. (42(m)(1)(B)(ii)(III)) Applications will receive the points for this item if the Development is located within a Qualified Census Tract and contributes to a concerted community revitalization plan. Evidence of the community revitalization plan must be provided.

(20) **Sponsor Characteristics.** Applications may qualify to receive 2 points for this item. (42(m)(1)(C)(iv)) Evidence that a HUB, as certified by the Texas Building and Procurement Commission, has at least 51% ownership interest in the General Partner and materially participates in the Development and operation of the Development throughout the Compliance Period. To qualify for these points, the Applicant must submit a certification from the Texas Building and Procurement Commission that the Person is a HUB at the close of the Application Acceptance Period. The HUB will be disqualified from receiving these points if any Principal of the HUB has developed, and received 8609's for, more than two Developments involving tax credits.

(21) **Projects Intended for Eventual Tenant Ownership - Right of First Refusal.** Applications may qualify to receive 1 point for this item. (2306.6725(b)(1)) (42(m)(1)(C)(viii)) Evidence that Development Owner agrees to provide a right of first refusal to purchase the Development upon or following the end of the Compliance Period for the minimum purchase price provided in, and in accordance with the requirements of, §42(i)(7) of the Code (the "Minimum Purchase Price"), to a Qualified Nonprofit Organization, the Department, or either an individual tenant with respect to a single family building, or a tenant cooperative, a resident management corporation in the Development or other association of tenants in the Development with respect to multifamily developments (together, in all such cases, including the tenants of a single family building, a "Tenant Organization"). Development Owner may qualify for these points by providing the right of first refusal in the following terms.

(A) Upon the earlier to occur of:

(i) the Development Owner's determination to sell the Development, or

(ii) the Development Owner's request to the Department, pursuant to §42(h)(6)(E)(II) of the Code, to find a buyer who will purchase the Development pursuant to a "qualified contract" within the meaning of §42(h)(6)(F) of the Code, the Development Owner shall provide a notice of intent to sell the Development ("Notice of Intent") to the Department and to such other parties as the Department may direct at that time. If the Development Owner determines that it will sell the Development at the end of the Compliance Period, the Notice of Intent shall be given no later than two years prior to expiration of the Compliance Period. If the Development Owner determines that it will sell the Development at some point later than the end of the Compliance Period, the Notice of Intent shall be given no later than two years prior to date upon which the Development Owner intends to sell the Development.

(B) During the two years following the giving of Notice of Intent, the Sponsor may enter into an agreement to sell the Development only in accordance with a right of first refusal for sale at the Minimum Purchase Price with parties in the following order of priority:

(i) during the first six-month period after the Notice of Intent, only with a Qualified Nonprofit Organization that is also a community housing development organization, as defined for purposes of the federal HOME Investment Partnerships Program at 24 C.F.R. § 92.1 (a "CHDO") and is approved by the Department,

(ii) during the second six-month period after the Notice of Intent, only with a Qualified Nonprofit Organization or a Tenant Organization; and

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(iii) during the second year after the Notice of Intent, only with the Department or with a Qualified Nonprofit Organization approved by the Department or a Tenant Organization approved by the Department.

(iv) If, during such two-year period, the Development Owner shall receive an offer to purchase the Development at the Minimum Purchase Price from one of the organizations designated in clauses (i) through (iii) of this subparagraph (within the period(s) appropriate to such organization), the Development Owner shall sell the Development at the Minimum Purchase Price to such organization. If, during such period, the Development Owner shall receive more than one offer to purchase the Development at the Minimum Purchase Price from one or more of the organizations designated in clauses (i) through (iii) of this subparagraph (within the period(s) appropriate to such organizations), the Development Owner shall sell the Development at the Minimum Purchase Price to whichever of such organizations it shall choose.

(C) After whichever occurs the later of:

(i) the end of the Compliance Period; or

(ii) two years from delivery of a Notice of Intent,

the Development Owner may sell the Development without regard to any right of first refusal established by the LURA if no offer to purchase the Development at or above the Minimum Purchase Price has been made by a Qualified Nonprofit Organization, a Tenant Organization or the Department, or a period of 120 days has expired from the date of acceptance of all such offers as shall have been received without the sale having occurred, provided that the failure(s) to close within any such 120-day period shall not have been caused by the Development Owner or matters related to the title for the Development.

(D) At any time prior to the giving of the Notice of Intent, the Development Owner may enter into an agreement with one or more specific Qualified Nonprofit Organizations and/or Tenant Organizations to provide a right of first refusal to purchase the Development for the Minimum Purchase Price, but any such agreement shall only permit purchase of the Development by such organization in accordance with and subject to the priorities set forth in subparagraph (B) of this paragraph.

(E) The Department shall, at the request of the Development Owner, identify in the LURA a Qualified Nonprofit Organization or Tenant Organization which shall hold a limited priority in exercising a right of first refusal to purchase the Development at the Minimum Purchase Price, in accordance with and subject to the priorities set forth in subparagraph (B) of this paragraph.

(F) The Department shall have the right to enforce the Development Owner's obligation to sell the Development as herein contemplated by obtaining a power-of-attorney from the Development Owner to execute such a sale or by obtaining an order for specific performance of such obligation or by such other means or remedy as shall be, in the Department's discretion, appropriate.

(22) Leveraging of Private, State, and Federal Resources. Applications may qualify to receive 1 point for this item. (2306.6725(a)(3)) Evidence that the proposed Development has received an allocation of private, state or federal resources, including HOPE VI funds, that is equal to or greater than 2% of the Total Development costs reflected in the Application. The Development must have already applied for funding from the funding entity. Evidence to be submitted with the Application must include a copy of the commitment of funds or a copy of the application to the funding entity and a letter from the funding entity indicating that the application was received. At the time the executed Commitment Notice is required to be submitted, the Applicant or Development Owner must provide evidence of a commitment for the sufficient financing to the Department. If the funding commitment from the private, state or federal source has not been received by the date the Department's Commitment Notice is to be submitted, the Application will be evaluated to determine if the loss of these points would have resulted in the Department's not committing the tax credits. If the loss of points would have made the Application noncompetitive, the Commitment Notice will be rescinded and the credits reallocated. If the Application would still be competitive even with the loss of points and the loss would not have impacted the recommendation for an award, the Application will be reevaluated for financial feasibility. If the Application is infeasible without the commitment from the private, state or federal source, the Commitment Notice will be rescinded and the credits reallocated. Use normal rounding. Funds from the Department's HOME and Housing Trust Fund sources will only qualify under this category if there is a NOFA out for available funds and the Applicant is eligible under that NOFA. To qualify for this point, the Rent Schedule must show that at least 3% of all low income Units are designated to serve individuals or families with incomes at or below 30% of AMGI.

(23) Third-Party Funding Commitment Outside of Qualified Census Tracts. Applications may qualify to receive 1 point for this item. (2306.6710(e)(1)) Evidence that the proposed Development has documented and committed third-party (not a Related Party to the Applicant or Developer) funding sources and the Development is located outside of a Qualified Census Tract. The commitment of funds (an application alone will not suffice) must already have been received from the third-party funding source and must be equal to or greater than 2% of

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the Total Development costs reflected in the Application. Use normal rounding. Funds from the Department's HOME and Housing Trust Fund sources will not qualify under this category. The third-party funding source cannot be a loan from a commercial lender.

(24) Scoring Criteria Imposing Penalties. (2306.6710(b)(2))

(A) Penalties will be imposed on an Application if the Applicant has requested an extension of a Department deadline, and did not meet the original submission deadline, relating to developments receiving a housing tax credit commitment made in the application round preceding the current round. The extension that will receive a penalty is an extension related to the submission of the carryover. For each extension request made, the Applicant will receive a 5 point deduction for not meeting the Carryover deadline. Subsequent extension requests after the first extension request made for each development from the preceding round will not result in a further point reduction than already described. No penalty points or fees will be deducted for extensions that were requested on Developments that involved rehabilitation when the Department is the primary lender, or for Developments that involve TX-USDA-RHS as a lender if TX-USDA-RHS or the Department is the cause for the Applicant not meeting the deadline.

(B) Penalties will be imposed on an Application if the Developer or Principal of the Applicant has been removed by the lender, equity provider, or limited partners in the past five years for failure to perform its obligations under the loan documents or limited partnership agreement. An affidavit will be provided by the Applicant and the Developer certifying that they have not been removed as described, or requiring that they disclose each instance of removal with a detailed description of the situation. If an Applicant or Developer submits the affidavit, and the Department learns at a later date that a removal did take place as described, then the Application will be terminated and any Allocation made will be rescinded. The Applicant, Developers or Principals of the Applicant that are in court proceedings at the time of Application must disclose this information and the situation will be evaluated on a case-by-case basis. 3 points will be deducted for each instance of removal.

(h) Tie Breaker Factors. (2306.185(a)(1) and (b))

(1) In the event that two or more Applications receive the same number of points in any given Set-Aside category, Rural Regional Allocation or Urban/Exurban Regional Allocation, or Uniform State Service Region, and are both practicable and economically feasible, the Department will utilize the factors in this paragraph, in the order they are presented, to determine which Development will receive a preference in consideration for a tax credit commitment.

(A) An Application will have preference if the Development Owner certifies that it will cooperate with the local public housing authority in accepting tenants from their waiting lists.

(B) The amount of requested tax credits per net rentable square foot requested (the lower credits per square foot has preference)

(2) This clause identifies how ties will be handled when dealing with the restrictions on location identified in §49.5(a)(8), and in dealing with any issues relating to capture rate calculation. When two Tax Exempt Bond Developments would violate one of these restrictions, and only one Development can be selected, the Department will utilize the lot number issued during the Bond Review Board lottery in making its determination. When two competitive Housing Tax Credits Applications in the Application Round would violate one of these restrictions, and only one Development can be selected, the Department will utilize the tie breakers identified in (h)(1) of this subsection. When a Tax Exempt Bond Development and a competitive Housing Tax Credit Application in the Application Round with the same score would both violate a restriction, the following determination will be used:

(A) Tax Exempt Bond Developments that receive their reservation from the Bond Review Board prior to April 30, 2005 will take precedence over the Housing Tax Credit Applications in the 2005 Application Round; and

(B) Housing Tax Credit Applications approved by the Board for tax credits in July 2005 will take precedence over the Tax Exempt Bond Developments that received their reservation from the Bond Review Board on or between May 1, 2005 and July 31, 2005; and

(C) After July 31, 2004, a Tax Exempt Bond Development with a reservation from the Bond Review Board will take precedence over any Housing Tax Credit Application from the 2005 Application Round on the Waiting List. However, if no reservation has been issued by the date the Board approves an allocation to a Development from the Waiting List of Applications in the 2005 Application Round or a forward commitment, then the Waiting List Application or forward commitment will be eligible for its allocation.

(i) **Staff Recommendations.** (2306.1112 and 2306.6731) After eligible Applications have been evaluated, ranked and underwritten in accordance with the QAP and the Rules, the Department staff shall make its recommendations to the Executive Award and Review Advisory Committee. The Committee will develop funding

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priorities and shall make commitment recommendations to the Board. Such recommendations and supporting documentation shall be made in advance of the meeting at which the issuance of Commitment Notices or Determination Notices shall be discussed. The Committee will provide written, documented recommendations to the Board which will address at a minimum the financial or programmatic viability of each Application and a list of all submitted Applications which enumerates the reason(s) for the Development's proposed selection or denial, including all evaluation factors provided in subsection (g) of this section that were used in making this determination.

§49.10 Board Decisions; Waiting List; Forward Commitments

(a) **Board Decisions.** The Board's decisions shall be based upon the Department's and the Board's evaluation of the proposed Developments' consistency with the criteria and requirements set forth in this QAP and Rules.

(1) On awarding tax credits, the Board shall document the reasons for each Application's selection, including any discretionary factors used in making its determination, and the reasons for any decision that conflicts with the recommendations made by Department staff. The Board may not make, without good cause, a commitment decision that conflicts with the recommendations of Department staff. Good cause includes the Board's decision to apply discretionary factors. (2306.6725(c); 42(m)(1)(A)(iv); 2306.6731)

(2) In making a determination to allocate tax credits, the Board shall be authorized to not rely solely on the number of points scored by an Application. It shall in addition, be entitled to take into account, as it deems appropriate, the discretionary factors listed in this paragraph. The Board may also apply these discretionary factors to its consideration of Tax Exempt Bond Developments. If the Board disapproves or fails to act upon an Application, the Department shall issue to the Applicant a written notice stating the reason(s) for the Board's disapproval or failure to act. In making tax credit decisions (including those related to Tax Exempt Bond Developments), the Board, in its discretion, may evaluate, consider and apply any one or more of the following discretionary factors: (2306.111(g)(3))

- (A) the developer market study;
- (B) the location;
- (C) the compliance history of the Developer;
- (D) the Applicant and/or Developer's efforts to engage the neighborhood;
- (E) the financial feasibility;
- (F) the appropriateness of the Development's size and configuration in relation to the housing needs of the community in which the Development is located;
- (G) the housing needs of the community, area, region and state;
- (H) the Development's proximity to other low income housing developments;
- (I) the availability of adequate public facilities and services;
- (J) the anticipated impact on local school districts;
- (K) zoning and other land use considerations;
- (L) laws relating to fair housing including affirmatively furthering fair housing;
- (M) the efficient use of the tax credits;
- (N) consistency with local needs, including consideration of revitalization or preservation needs;
- (O) the allocation of credits among many different entities without diminishing the quality of the housing;
- (P) meeting a compelling housing need;
- (Q) providing integrated, affordable housing for individuals and families with different levels of income;
- (R) the inclusive capture rate as described under §1.32(g)(2);
- (S) any matter considered by the Board to be relevant to the approval decision and in furtherance of the Department's purposes and the policies of Chapter 2306, Texas Government Code; or
- (T) other good cause as determined by the Board.

(3) Before the Board approves any Application, the Department shall assess the compliance history of the Applicant with respect to all applicable requirements; and the compliance issues associated with the proposed Development, including compliance information provided by the Texas State Affordable Housing Corporation. The Committee shall provide to the Board a written report regarding the results of the assessments. The written report will be included in the appropriate Development file for Board and Department review. The Board shall fully document and disclose any instances in which the Board approves a Development Application despite any noncompliance associated with the Development or Applicant. (2306.057)

(b) **Waiting List.** (2306.6711(c) and (d)) If the entire State Housing Credit Ceiling for the applicable calendar year has been committed or allocated in accordance with this chapter, the Board shall generate, concurrently with the issuance of commitments, a waiting list of additional Applications ranked by score in descending order

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of priority based on Set-Aside categories and regional allocation goals. The Board may also apply discretionary factors in determining the Waiting List. If at any time prior to the end of the Application Round, one or more Commitment Notices expire and a sufficient amount of the State Housing Credit Ceiling becomes available, the Board shall issue a Commitment Notice to Applications on the waiting list subject to the amount of returned credits, the regional allocation goals and the Set-Aside categories, including the 10% Nonprofit Set-Aside allocation required under the Code, §42(h)(5). At the end of each calendar year, all Applications which have not received a Commitment Notice shall be deemed terminated. The Applicant may re-apply to the Department during the next Application Acceptance Period.

(c) **Forward Commitments.** The Board may determine to issue commitments of tax credit authority with respect to Developments from the State Housing Credit Ceiling for the calendar year following the year of issuance (each a "forward commitment"). The Board will utilize its discretion in determining the amount of credits to be allocated as forward commitments and the reasons for those commitments considering score and discretionary factors. The Board may utilize the forward commitment authority to allocate credits to TX-USDA-RHS Developments which are experiencing foreclosure or loan acceleration at any time during the 2005 calendar year. Applications that are submitted under the 2005 QAP and granted a Forward Commitment of 2006 Housing Tax Credits are considered by the Board to comply with the 2006 QAP by having satisfied the requirements of this 2005 QAP, except for statutorily required QAP changes.

(1) Unless otherwise provided in the Commitment Notice with respect to a Development selected to receive a forward commitment, actions which are required to be performed under this chapter by a particular date within a calendar year shall be performed by such date in the calendar year of the Credit Ceiling from which the credits are allocated.

(2) Any forward commitment made pursuant to this section shall be made subject to the availability of State Housing Credit Ceiling in the calendar year with respect to which the forward commitment is made. If a forward commitment shall be made with respect to a Development placed in service in the year of such commitment, the forward commitment shall be a "binding commitment" to allocate the applicable credit dollar amount within the meaning of the Code, §42(h)(1)(C).

(3) If tax credit authority shall become available to the Department in a calendar year in which forward commitments have been awarded, the Department may allocate such tax credit authority to any eligible Development which received a forward commitment, in which event the forward commitment shall be canceled with respect to such Development.

§49.11. Required Application Notifications, Receipt of Public Comment, and Meetings with Applicants; Viewing of Pre-Applications and Applications; Confidential Information.

(a) Required Application Notifications, Receipt of Public Comment, and Meetings with Applicants.

(1) Within approximately seven business days after the close of the Pre-Application Acceptance Period, the Department shall publish a Pre-Application Submission Log on its web site. Such log shall contain the Development name, address, Set-Aside, number of units, requested credits, owner contact name and phone number. (2306.6717(a)(1))

(2) Approximately 30 days before the close of the Application Acceptance Period, the Department will release the evaluation and assessment of the Pre-Applications on its web site.

(3) Not later than 14 days after the close of the Pre-Application Acceptance Period, or Application Acceptance Period for Applications for which no Pre-Application was submitted, the Department shall: (2306.1114)

(A) publish an Application submission log on its web site.

(B) give notice of a proposed Development in writing that provides the information required under clause (i) of this subparagraph to all of the individuals and entities described in clauses (ii) through (viii) of this subparagraph. (2306.6718(a) through (c))

(i) The following information will be provided in these notifications:

(I) The relevant dates affecting the Application including the date on which the Application was filed, the date or dates on which any hearings on the Application will be held and the date by which a decision on the Application will be made;

(II) A summary of relevant facts associated with the Development;

(III) A summary of any public benefits provided as a result of the Development, including rent subsidies and tenant services; and

(IV) The name and contact information of the employee of the Department designated by the director to act as the information officer and liaison with the public regarding the Application.

(ii) Presiding officer of the governing body of the political subdivision containing the Development (mayor or county judge) to advise such individual that the Development, or a part thereof, will be

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located in his/her jurisdiction and request any comments which such individual may have concerning such Development. If the presiding officer of the governing body expresses opposition to the Development, the Department will give consideration to the objections raised and will visit the proposed site or Development within 30 days of notification to conduct a physical inspection of the Development site and consult with the presiding officer of the governing body before the Application is scored, if opposition is received prior to scoring being completed. The Department will obtain reimbursement from the Applicant for the necessary travel and expenses at rates consistent with the state authorized rate (Rider 4 of Appropriations Bill) (§42(m)(1));

(iii) Any member of the governing body of a political subdivision who represents the area containing the Development. If the governing body has single-member districts, then only that member of the governing body for that district will be notified, however if the governing body has at-large districts, then all members of the governing body will be notified;

(iv) state representative and state senator who represent the community where the Development is proposed to be located. If the state representative or senator hold a community meeting, the Department shall provide appropriate representation.

(v) United States representative who represents the community containing the Development;

(vi) Superintendent of the school district containing the Development;

(vii) Presiding officer of the board of trustees of the school district containing the Development;

(viii) Any Neighborhood Organizations on record with the city or county in which the Development is to be located and whose boundaries contain the proposed Development site, based on the letters obtained by the Applicant under §49.9(f) of this title or otherwise known to the Applicant or Department and on record with the state or county; and

(ix) Advocacy organizations, social service agencies, civil rights organizations, tenant organizations, or others who may have an interest in securing the development of affordable housing that are registered on the Department's email list service.

(C) The elected officials identified in subparagraph (B) of this paragraph will be provided an opportunity to comment on the Application during the Application evaluation process. (§42(m)(1))

(4) The Department shall hold at least three public hearings in different Uniform State Service Regions of the state to receive comment on the submitted Applications and on other issues relating to the Housing Tax Credit Program. (2306.6717(c))

(5) The Department shall make available on the Department's website information regarding the Housing Tax Credit Program including notice of public hearings, meetings, Application Round opening and closing dates, submitted Applications, and Applications approved for underwriting and recommended to the Board, and shall provide that information to locally affected community groups, local and state elected officials, local housing departments, any appropriate newspapers of general or limited circulation that serve the community in which a proposed Development is to be located, nonprofit and for-profit organizations, on-site property managers of occupied Developments that are the subject of Applications for posting in prominent locations at those Developments, and any other interested persons including community groups, who request the information. (2306.6717(b); 2306.6732)

(6) Approximately forty days prior to the date of the July Board meeting at which the issuance of Commitment Notices shall be discussed, the Department will notify each Applicant of the receipt of any opposition received by the Department relating to his or her Development at that time.

(7) Not later than the third working day after the date of completion of each stage of the Application process, including the results of the Application scoring and underwriting phases and the commitment phase, the results will be posted to the Department's web site. (2306.6717(a)(3))

(8) At least thirty days prior to the date of the July Board meeting at which the issuance of Commitment Notices or Determination Notices shall be discussed, the Department will:

(A) provide the Application scores to the Board;

(B) if feasible, post to the Department's web site the entire Application, including all supporting documents and exhibits, the Application Log as further described in §49.19(b) of this title, a scoring sheet providing details of the Application score, and any other documents relating to the processing of the Application. (2306.6711(a) and 2306.6717(a)(2))

(9) A summary of comments received by the Department on specific Applications shall be part of the documents required to be reviewed by the Board under this subsection if it is received 30 business days prior to the date of the Board Meeting at which the issuance of Commitment Notices or Determination Notices shall be discussed. Comments received after this deadline will not be part of the documentation submitted to the Board. However, a public comment period will be available prior to the Board's decision, at the Board meeting where tax credit commitment decisions will be made.

(10) Not later than the 120th day after the date of the initial issuance of Commitment Notices for housing tax credits, the Department shall provide an Applicant who did not receive a commitment for housing tax credits

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with an opportunity to meet and discuss with the Department the Application's deficiencies, scoring and underwriting. (2306.6711(e))

(b) **Viewing of Pre-Applications and Applications.** Pre-Applications and Applications for tax credits are public information and are available upon request after the Pre-Application and Application Acceptance Periods close, respectively. All Pre-Applications and Applications, including all exhibits and other supporting materials, except Personal Financial Statements and Social Security numbers, will be made available for public disclosure after the Pre-Application and Application periods close, respectively. The content of Personal Financial Statements may still be made available for public disclosure upon request if the Attorney General's office deems it is not protected from disclosure by the Texas Public Information Act.

(c) **Confidential Information.** The Department may treat the financial statements of any Applicant as confidential and may elect not to disclose those statements to the public. A request for such information shall be processed in accordance with §552.305 of the Government Code. (2306.6717(d))

§49.12. Tax Exempt Bond Developments: Filing of Applications, Applicability of Rules, Supportive Services, Financial Feasibility Evaluation, Satisfaction of Requirements.

(a) **Filing of Applications for Tax Exempt Bond Developments.** Applications for a Tax Exempt Bond Development may be submitted to the Department as described in paragraphs (1) and (2) of this subsection:

(1) Applicants which receive advance notice of a Program Year 2005 reservation as a result of the Texas Bond Review Board's (TBRB) lottery for the private activity volume cap must file a complete Application not later than 5:00 p.m. on December 30, 2004. Such filing must be accompanied by the Application fee described in §49.20 of this title.

(2) Applicants which receive advance notice of a Program Year 2005 reservation after being placed on the waiting list as a result of the TBRB lottery for private activity volume cap must submit Volume 1 and Volume 2 of the Application and the Application fee described in §49.20 of this title prior to the Applicant's bond reservation date as assigned by the TBRB. Any outstanding documentation required under this section must be submitted to the Department at least 60 days prior to the Board meeting at which the decision to issue a Determination Notice would be made.

(b) **Applicability of Rules for Tax Exempt Bond Developments.** Tax Exempt Bond Development Applications are subject to all rules in this title, with the only exceptions being the following sections: §49.4 of this title (regarding State Housing Credit Ceiling), §49.7 of this title (regarding Regional Allocation and Set-Asides), §49.8 of this title (regarding Pre-Application), §49.9(d) of this title (regarding Review and Prioritization), §49.9(g) of this title (regarding Selection Criteria), §49.10(b) and (c) of this title (regarding Waiting List and Forward Commitments), and §49.14(a) and (b) of this title (regarding Carryover and 10% Test). Such Developments requesting a Determination Notice in the current calendar year must meet all Threshold Criteria requirements stipulated in §49.9(f) of this title. Such Developments which received a Determination Notice in a prior calendar year must meet all Threshold Criteria requirements stipulated in the QAP and Rules in effect for the calendar year in which the Determination Notice was issued; provided, however, that such Developments shall comply with all procedural requirements for obtaining Department action in the current QAP and Rules; and such other requirements of the QAP and Rules as the Department determines applicable. Consistency with the local municipality's consolidated plan or similar planning document must be demonstrated in those instances where the city or county has a consolidated plan. Applicants will be required to meet all conditions of the Determination Notice by the time the construction loan is closed unless otherwise specified in the Determination Notice. Applicants must meet the requirements identified in §49.15(a) of this title. Applications that receive a reservation from the Bond Review Board on or before December 31, 2004 will be required to satisfy the requirements of the 2004 QAP; Applications that receive a reservation from the Bond Review Board on or after January 1, 2005 will be required to satisfy the requirements of the 2005 QAP.

(c) **Supportive Services for Tax Exempt Bond Developments.** (2306.254) Tax Exempt Bond Development Applications must provide an executed agreement with a qualified service provider for the provision of special supportive services that would otherwise not be available for the tenants. The provision of these services will be included in the LURA. Acceptable services as described in paragraphs (1) through (3) of this subsection include:

(1) the services must be in at least one of the following categories: child care, transportation, basic adult education, legal assistance, counseling services, GED preparation, English as a second language classes, vocational training, home buyer education, credit counseling, financial planning assistance or courses, health screening services, health and nutritional courses, organized team sports programs, youth programs, scholastic tutoring, social events and activities, community gardens or computer facilities; or

(2) any other program described under Title IV-A of the Social Security Act (42 U.S.C. §§ 601 et seq.) which enables children to be cared for in their homes or the homes of relatives; ends the dependence of needy

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families on government benefits by promoting job preparation, work and marriage; prevents and reduces the incidence of out-of wedlock pregnancies; and encourages the formation and maintenance of two-parent families, or

(3) any other services approved in writing by the Issuer. The plan for tenant supportive services submitted for review and approval of the Issuer must contain a plan for coordination of services with state workforce development and welfare programs. The coordinated effort will vary depending upon the needs of the tenant profile at any given time as outlined in the plan.

(d) **Financial Feasibility Evaluation for Tax Exempt Bond Developments.** Code §42(m)(2)(D) requires the bond issuer (if other than the Department) to ensure that a Tax Exempt Bond Development does not receive more tax credits than the amount needed for the financial feasibility and viability of a Development throughout the Compliance Period. Treasury Regulations prescribe the occasions upon which this determination must be made. In light of the requirement, issuers may either elect to underwrite the Development for this purpose in accordance with the QAP and the Underwriting Rules and Guidelines, §1.32 of this title or request that the Department perform the function. If the issuer underwrites the Development, the Department will, nonetheless, review the underwriting report and may make such changes in the amount of credits which the Development may be allowed as are appropriate under the Department's guidelines. The Determination Notice issued by the Department and any subsequent IRS Form(s) 8609 will reflect the amount of tax credits for which the Development is determined to be eligible in accordance with this subsection, and the amount of tax credits reflected in the IRS Form 8609 may be greater or less than the amount set forth in the Determination Notice, based upon the Department's and the bond issuer's determination as of each building's placement in service. Any increase of tax credits, from the amount specified in the Determination Notice, at the time of each building's placement in service will only be permitted if it is determined by the Department, as required by Code §42(m)(2)(D), that the Tax Exempt Bond Development does not receive more tax credits than the amount needed for the financial feasibility and viability of a Development throughout the Compliance Period. Increases to the amount of tax credits that exceed 110% of the amount of credits reflected in the Determination Notice are contingent upon approval by the Board. Increases to the amount of tax credits that do not exceed 110% of the amount of credits reflected in the Determination Notice may be approved administratively by the Executive Director.

(e) **Satisfaction of Requirements for Tax Exempt Bond Developments.** If the Department staff determines that all requirements of this QAP and Rules have been met, the Department will recommend that the Board authorize the issuance of a Determination Notice. The Board, however, may utilize the discretionary factors identified in §49.10(a) of this title in determining if they will authorize the Department to issue a Determination Notice to the Development Owner. The Determination Notice, if authorized by the Board, will confirm that the Development satisfies the requirements of the QAP and Rules in accordance with the Code, §42(m)(1)(D).

§49.13 Commitment and Determination Notices; Agreement and Election Statement.

(a) **Commitment and Determination Notices.** If the Board approves an Application, the Department will:

(1) if the Application is for a commitment from the State Housing Credit Ceiling, issue a Commitment Notice to the Development Owner which shall:

(A) confirm that the Board has approved the Application; and

(B) state the Department's commitment to make a Housing Credit Allocation to the Development Owner in a specified amount, subject to the feasibility determination described at §49.16 of this title, and compliance by the Development Owner with the remaining requirements of this chapter and any other terms and conditions set forth therein by the Department. This commitment shall expire on the date specified therein unless the Development Owner indicates acceptance of the commitment by executing the Commitment Notice or Determination Notice, pays the required fee specified in §49.20 of this title, and satisfies any other conditions set forth therein by the Department. A Development Owner may request an extension of the Commitment Notice expiration date by submitting an extension request and associated extension fee as described in §49.20 of this title. In no event shall the expiration date of a Commitment Notice be extended beyond the last business day of the applicable calendar year.

(2) if the Application regards a Tax Exempt Bond Development, issue a Determination Notice to the Development Owner which shall:

(A) confirm the Board's determination that the Development satisfies the requirements of this QAP; and

(B) state the Department's commitment to issue IRS Form(s) 8609 to the Development Owner in a specified amount, subject to the requirements set forth at §49.12 of this title and compliance by the Development Owner with all applicable requirements of this title and any other terms and conditions set forth

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therein by the Department. The Determination Notice shall expire on the date specified therein unless the Development Owner indicates acceptance by executing the Determination Notice and paying the required fee specified in §49.20 of this title. The Determination Notice shall also expire unless the Development Owner satisfies any conditions set forth therein by the Department within the applicable time period.

(3) notify, in writing, the mayor or other equivalent chief executive officer of the municipality in which the Property is located informing him/her of the Board's issuance of a Commitment Notice or Determination Notice, as applicable.

(4) A Commitment or Determination Notice shall not be issued with respect to any Development for an unnecessary amount or where the cost for the total development, acquisition, construction or rehabilitation exceeds the limitations established from time to time by the Department and the Board, unless the Department staff make a recommendation to the Board based on the need to fulfill the goals of the Housing Tax Credit Program as expressed in this QAP and Rules, and the Board accepts the recommendation. The Department's recommendation to the Board shall be clearly documented.

(5) A Commitment or Determination Notice shall not be issued with respect to the Applicant, the Development Owner, the General Contractor, or any Affiliate of the General Contractor that is active in the ownership or Control of one or more other low income rental housing properties in the state of Texas administered by the Department, or outside the state of Texas, that is in Material Non-Compliance with the LURA (or any other document containing an Extended Low Income Housing Commitment) or the program rules in effect for such property, as described in Section 60.1 of this title.

(b) **Agreement and Election Statement.** Together with the Development Owner's acceptance of the Carryover Allocation, the Development Owner may execute an Agreement and Election Statement, in the form prescribed by the Department, for the purpose of fixing the Applicable Percentage for the Development as that for the month in which the Carryover Allocation was accepted (or the month the bonds were issued for Tax Exempt Bond Developments), as provided in the Code, §42(b)(2). Current Treasury Regulations, 51.42-8(a)(1)(v), suggest that in order to permit a Development Owner to make an effective election to fix the Applicable Percentage for a Development, the Carryover Allocation Document must be executed by the Department and the Development Owner within the same month. The Department staff will cooperate with a Development Owner, as possible or reasonable, to assure that the Carryover Allocation Document can be so executed.

(c) **Documentation Submission Requirements at Commitment of Funds.** No later than the date the Commitment Notice or Determination Notice is executed by the Applicant and returned to the Department with the appropriate Commitment Fee as further described in §49.20(f) of this title, the following documents must also be provided to the Department. Failure to provide these documents may cause the Commitment to be rescinded. For each Applicant all of the following must be provided:

(1) Evidence that the entity has the authority to do business in Texas;

(2) A Certificate of Account Status from the Texas Comptroller of Public Accounts or, if such a Certificate is not available because the entity is newly formed, a statement to such effect; and a Certificate of Organization from the Secretary of State;

(3) Copies of the entity's governing documents, including, but not limited to, its Articles of Incorporation, Articles of Organization, Certificate of Limited Partnership, Bylaws, Regulations and/or Partnership Agreement; and

(4) Evidence that the signer(s) of the Application have the authority to sign on behalf of the Applicant in the form of a corporate resolution or by-laws which indicate same from the sub-entity in Control and that those Persons signing the Application constitute all Persons required to sign or submit such documents.

§49.14. Carryover, 10% Test, Commencement of Substantial Construction.

(a) **Carryover.** All Developments which received a Commitment Notice, and will not be placed in service and receive IRS Form 8609 in the year the Commitment Notice was issued, must submit the Carryover documentation to the Department no later than November 1 of the year in which the Commitment Notice is issued. Commitments for credits will be terminated if the Carryover documentation, or an approved extension, has not been received by this deadline. In the event that a Development Owner intends to submit the Carryover documentation in any month preceding November of the year in which the Commitment Notice is issued, in order to fix the Applicable Percentage for the Development in that month, it must be submitted no later than the first Friday in the preceding month. If the financing structure, syndication rate, amount of debt or syndication proceeds are revised at the time of Carryover from what was proposed in the original Application, applicable documentation of such changes must be provided and the Development may be reevaluated by the Department. The Carryover Allocation format must be properly completed and delivered to the Department as prescribed by

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the Carryover Allocation Procedures Manual. All Carryover Allocations will be contingent upon the following, in addition to all other conditions placed upon the Application in the Commitment Notice:

(1) The Development Owner for all new construction Developments must have purchased the property for the Development.

(2) A current original plat or survey of the land, prepared by a duly licensed Texas Registered Professional Land Surveyor. Such survey shall conform to standards prescribed in the Manual of Practice for Land Surveying in Texas as promulgated and amended from time to time by the Texas Surveyors Association as more fully described in the Carryover Procedures Manual.

(3) Attendance of the Development Owner and Development architect at Department-approved Fair Housing training on or before the time the 10% Test Documentation is submitted

(4) For all Developments involving new construction, evidence of the availability of all necessary utilities/services to the Development site must be provided. Necessary utilities include natural gas (if applicable), electric, trash, water, and sewer. Such evidence must be a letter or a monthly utility bill from the appropriate municipal/local service provider. If utilities are not already accessible, then the letter must clearly state: an estimated time frame for provision of the utilities, an estimate of the infrastructure cost, and an estimate of any portion of that cost that will be borne by the Development Owner. Letters must be from an authorized individual representing the organization which actually provides the services. Such documentation should clearly indicate the Development property. If utilities are not already accessible (undeveloped areas), then the letter should not be older than three months from the first day of the Application Acceptance Period.

(5) Development Owners must provide evidence to the Department that they have notified the District office of the Texas Department of Transportation of their proposed property consistent with the template provided in the Carryover Allocation Procedures Manual.

(b) **10% Test.** No later than six months from the date the Carryover Allocation Document is executed by the Department and the Development Owner, more than 10% of the Development Owner's reasonably expected basis must have been incurred pursuant to §42(h)(1)(E)(i) and (ii) of the Internal Revenue Code and Treasury Regulations, §1.42-6. The evidence to support the satisfaction of this requirement must be submitted to the Department no later than June 30 of the year following the execution of the Carryover Allocation Document in a format prescribed by the Department. At the time of submission of the documentation, the Development Owner must also submit a Management Plan and an Affirmative Marketing Plan as further described in the Carryover Allocation Procedures Manual.

(c) **Commencement of Substantial Construction.** The Development Owner must submit evidence of having commenced and continued substantial construction activities. The evidence must be submitted not later than December 1 of the year after the execution of the Carryover Allocation Document with the possibility of an extension as described in §49.20 of this title. The minimum activity necessary to meet the requirement of the substantial construction for new Developments will be defined as having expended 10% of the construction contract amount for the Development, adjusted for any change orders, and as documented by both the most recent construction contract application for payment and the inspecting architect. The minimum activity necessary to meet the requirement of substantial construction for rehabilitation Development will be defined as having expended 10% of the construction budget as documented by the inspecting architect. Evidence of such activity shall be provided in a format prescribed by the Department.

§49.15. Cost Certification, LURA.

(a) **Cost Certification.** If a Carryover Allocation was not requested and received, Developments must be placed in service by December 31 of the year the Commitment Notice was issued. Developments receiving a Carryover Allocation must be placed in service by December 31 of the second year following the year the Carryover Allocation Agreement was executed. Developments requesting IRS Forms 8609 must submit the required Cost Certification documentation no later than April 1 of the year following the date the buildings were placed in service. Any Developments issued a Commitment Notice or Determination Notice that fails to submit its Cost Certification documentation by this time will be reported to the IRS and the Owner will be required to submit a request for extension consistent with §49.20(l) of this title. The Department will perform an initial evaluation of the Cost Certification documentation within 45 days from the date of receipt of the Cost Certification documentation and notify the Owner in a deficiency letter of all additional required documentation. Once the Department has determined that all required documents have been received, the Department will issue IRS Forms 8609 no later than 90 days from the date of receipt of those final documents. Any deficiency letters issued to the Owner pertaining to the Cost Certification documentation will also be copied to the syndicator. At the time the Cost Certification documentation is provided, a title policy or 'nothing further certificate' must be provided dated on or after the date of substantial completion.

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(b) **Land Use Restriction Agreement (LURA).** The Development Owner must request a LURA from the Department no later than the date specified in §60.1(p)(6), the Department's Compliance Monitoring Policies and Procedures. The Development Owner must date, sign and acknowledge before a notary public the LURA and send the original to the Department for execution by December 1 of the first year in which credits will be claimed. The initial compliance and monitoring fee must be accompanied by a statement, signed by the Owner, indicating the start of the Development's Credit Period and the earliest placed in service date for the Development buildings. After receipt of the signed LURA from the Department, the Development Owner shall then record the LURA, along with any and all exhibits attached thereto, in the real property records of the county where the Development is located and return the original document, duly certified as to recordation by the appropriate county official, to the Department no later than the date that the Cost Certification Documentation is submitted to the Department. If any liens (other than mechanics' or materialmen's liens) shall have been recorded against the Development and/or the Property prior to the recording of the LURA, the Development Owner shall obtain the subordination of the rights of any such lienholder, or other effective consent, to the survival of certain obligations contained in the LURA, which are required by §42(h)(6)(E)(ii) of the Code to remain in effect following the foreclosure of any such lien. Receipt of such certified recorded original LURA by the Department is required prior to issuance of IRS Form 8609. A representative of the Department, or assigns, shall physically inspect the Development for compliance with the Application and the representations, warranties, covenants, agreements and undertakings contained therein. Such inspection will be conducted before the IRS Form 8609 is issued for a building, but it shall be conducted in no event later than the end of the second calendar year following the year the last building in the Development is placed in service. The Development Owner for Tax Exempt Bond Developments shall obtain a subordination agreement wherein the lien of the mortgage is subordinated to the LURA.

§49.16. Housing Credit Allocations.

(a) In making a commitment of a Housing Credit Allocation under this chapter, the Department shall rely upon information contained in the Application to determine whether a building is eligible for the credit under the Code, §42. The Development Owner shall bear full responsibility for claiming the credit and assuring that the Development complies with the requirements of the Code, §42. The Department shall have no responsibility for ensuring that a Development Owner who receives a Housing Credit Allocation from the Department will qualify for the housing credit.

(b) The Housing Credit Allocation Amount shall not exceed the dollar amount the Department determines is necessary for the financial feasibility and the long term viability of the Development throughout the affordability period. (2306.6711(b)) Such determination shall be made by the Department at the time of issuance of the Commitment Notice or Determination Notice; at the time the Department makes a Housing Credit Allocation; and as of the date each building in a Development is placed in service. Any Housing Credit Allocation Amount specified in a Commitment Notice, Determination Notice or Carryover Allocation Document is subject to change by the Department based upon such determination. Such a determination shall be made by the Department based on its evaluation and procedures, considering the items specified in the Code, §42(m)(2)(B), and the department in no way or manner represents or warrants to any Applicant, sponsor, investor, lender or other entity that the Development is, in fact, feasible or viable.

(c) The General Contractor hired by the Development Owner must meet specific criteria as defined by the Seventy-fifth Legislature. A General Contractor hired by a Development Owner or a Development Owner, if the Development Owner serves as General Contractor must demonstrate a history of constructing similar types of housing without the use of federal tax credits. Evidence must be submitted to the Department, in accordance with §49.9(f)(4)(H) of this title, which sufficiently documents that the General Contractor has constructed some housing without the use of Housing Tax Credits. This documentation will be required as a condition of the commitment notice or carryover agreement, and must be complied with prior to commencement of construction and at cost certification and final allocation of credits.

(d) An allocation will be made in the name of the Development Owner identified in the related Commitment Notice or Determination Notice. If an allocation is made to a member or Affiliate of the ownership entity proposed at the time of Application, the Department will transfer the allocation to the ownership entity as consistent with the intention of the Board when the Development was selected for an award of tax credits. Any other transfer of an allocation will be subject to review and approval by the Department consistent with §49.17(c) of this title. The approval of any such transfer does not constitute a representation to the effect that such transfer is permissible under §42 of the Code or without adverse consequences thereunder, and the Department may condition its approval upon receipt and approval of complete current documentation regarding

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the owner including documentation to show consistency with all the criteria for scoring, evaluation and underwriting, among others, which were applicable to the original Applicant.

(e) The Department shall make a Housing Credit Allocation, either in the form of IRS Form 8609, with respect to current year allocations for buildings placed in service, or in the Carryover Allocation Document, for buildings not yet placed in service, to any Development Owner who holds a Commitment Notice which has not expired, and for which all fees as specified in §49.20 of this title have been received by the Department and with respect to which all applicable requirements, terms and conditions have been met. For Tax Exempt Bond Developments, the Housing Credit Allocation shall be made in the form of a Determination Notice. For an IRS Form 8609 to be issued with respect to a building in a Development with a Housing Credit Allocation, satisfactory evidence must be received by the Department that such building is completed and has been placed in service in accordance with the provisions of the Department's Cost Certification Procedures Manual. The Cost Certification documentation requirements will include a certification and inspection report prepared by a Third-Party accredited accessibility inspector to certify that the Development meets all required accessibility standards. IRS Form 8609 will not be issued until the certifications are received by the Department. The Department shall mail or deliver IRS Form 8609 (or any successor form adopted by the Internal Revenue Service) to the Development Owner, with Part I thereof completed in all respects and signed by an authorized official of the Department. The delivery of the IRS Form 8609 will occur only after the Development Owner has complied with all procedures and requirements listed within the Cost Certification Procedures Manual. Regardless of the year of Application to the Department for Housing Tax Credits, the current year's Cost Certification Procedures Manual must be utilized when filing all cost certification materials. A separate Housing Credit Allocation shall be made with respect to each building within a Development which is eligible for a housing credit; provided, however, that where an allocation is made pursuant to a Carryover Allocation Document on a Development basis in accordance with the Code, §42(h)(1)(F), a housing credit dollar amount shall not be assigned to particular buildings in the Development until the issuance of IRS Form 8609s with respect to such buildings. The Department may delay the issuance of IRS Form 8609 if any Development violates the representations of the Application.

(f) In making a Housing Credit Allocation, the Department shall specify a maximum Applicable Percentage, not to exceed the Applicable Percentage for the building permitted by the Code, §42(b), and a maximum Qualified Basis amount. In specifying the maximum Applicable Percentage and the maximum Qualified Basis amount, the Department shall disregard the first-year conventions described in the Code, §42(f)(2)(A) and §42(f)(3)(B). The Housing Credit Allocation made by the Department shall not exceed the amount necessary to support the extended low income housing commitment as required by the Code, §42(h)(6)(C)(i).

(g) Development inspections shall be required to show that the Development is built or rehabilitated according to construction threshold criteria and Development characteristics identified at application. At a minimum, all Development inspections must include an inspection for quality during the construction process while defects can reasonably be corrected and a final inspection at the time the Development is placed in service. All such Development inspections shall be performed by the Department or by an independent Third Party inspector acceptable to the Department. The Development Owner shall pay all fees and costs of said inspections as described in §49.20 of this title. For properties receiving financing through TX-USDA-RHS, the Department shall accept the inspections performed by TX-USDA-RHS in lieu of having other Third party inspections. Details regarding the construction inspection process are set forth in the Department Rule §60.1 of this title (2306.081).

(h) After the entire Development is placed in service, which must occur prior to the deadline specified in the Carryover Allocation Document and as further outlined in §49.15 of this title, the Development Owner shall be responsible for furnishing the Department with documentation which satisfies the requirements set forth in the Cost Certification Procedures Manual. For purposes of this title, and consistent with IRS Notice 88-116, the placed in service date for a new or existing building used as residential rental property is the date on which the building is ready and available for its specifically assigned function and more specifically when the first Unit in the building is certified as being suitable for occupancy in accordance with state and local law and as certified by the appropriate local authority or registered architect as ready for occupancy. The Cost Certification must be submitted for the entire Development; therefore partial Cost Certifications are not allowed. The Department may require copies of invoices and receipts and statements for materials and labor utilized for the new construction or rehabilitation and, if applicable, a closing statement for the acquisition of the Development as well as for the closing of all interim and permanent financing for the Development. If the Development Owner does not fulfill all representations and commitments made in the Application, the Department may make reasonable reductions to the tax credit amount allocated via the IRS Form 8609, may withhold issuance of the IRS Form 8609s until these representations and commitments are met, and/or may terminate the allocation, if appropriate corrective action is not taken by the Development Owner.

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(i) The Board at its sole discretion may allocate credits to a Development Owner in addition to those awarded at the time of the initial Carryover Allocation in instances where there is bona fide substantiation of cost overruns and the Department has made a determination that the allocation is needed to maintain the Development's financial viability.

(j) The Department may, at any time and without additional administrative process, determine to award credits to Developments previously evaluated and awarded credits if it determines that such previously awarded credits are or may be invalid and the owner was not responsible for such invalidity. The Department may also consider an amendment to a Commitment Notice or Carryover Allocation or other requirement with respect to a Development if the revisions:

- (1) are consistent with the Code and the Housing Tax Credit Program;
- (2) do not occur while the Development is under consideration for tax credits;
- (3) do not involve a change in the number of points scored (unless the Development's ranking is adjusted because of such change);
- (4) do not involve a change in the Development's site; or
- (5) do not involve a change in the set-aside election.

§49.17 Board Reevaluation, Appeals; Amendments, Housing Tax Credit and Ownership Transfers, Sale of Tax Credit Properties, Withdrawals, Cancellations.

(a) **Board Reevaluation.** (2306.6731(b)) Regardless of development stage, the Board shall reevaluate a Development that undergoes a substantial change between the time of initial Board approval of the Development and the time of issuance of a Commitment Notice or Determination Notice for the Development. For the purposes of this subsection, substantial change shall be those items identified in subsection (c)(3) of this section. The Board may revoke any Commitment Notice or Determination Notice issued for a Development that has been unfavorably reevaluated by the Board.

(b) **Appeals Process.** (2306.6715) An Applicant may appeal decisions made by the Department as follows.

- (1) The decisions that may be appealed are identified in subparagraphs (A) through (C) of this paragraph.
 - (A) a determination regarding the Application's satisfaction of:
 - (i) Eligibility Requirements;
 - (ii) Disqualification or debarment criteria;
 - (iii) Pre-Application or Application Threshold Criteria;
 - (iv) Underwriting Criteria;
 - (B) the scoring of the Application under the Application Selection Criteria; and
 - (C) a recommendation as to the amount of housing tax credits to be allocated to the Application.
 - (D) Any Department decision that results in termination of an Application.
- (2) An Applicant may not appeal a decision made regarding an Application filed by another Applicant.
- (3) An Applicant must file its appeal in writing with the Department not later than the seventh day after the date the Department publishes the results of any stage of the Application evaluation process identified in §49.9 of this title. In the appeal, the Applicant must specifically identify the Applicant's grounds for appeal, based on the original Application and additional documentation filed with the original Application. If the appeal relates to the amount of housing tax credits recommended to be allocated, the Department will provide the Applicant with the underwriting report upon request.
- (4) The Executive Director of the Department shall respond in writing to the appeal not later than the 14th day after the date of receipt of the appeal. If the Applicant is not satisfied with the Executive Director's response to the appeal, the Applicant may appeal directly in writing to the Board, provided that an appeal filed with the Board under this subsection must be received by the Board before:
 - (A) the seventh day preceding the date of the Board meeting at which the relevant commitment decision is expected to be made; or
 - (B) the third day preceding the date of the Board meeting described by subparagraph (A) of this paragraph, if the Executive Director does not respond to the appeal before the date described by subparagraph (A) of this paragraph.
- (5) Board review of an appeal under paragraph (4) of this subsection is based on the original Application and additional documentation filed with the original Application. The Board may not review any information not contained in or filed with the original Application. The decision of the Board regarding the appeal is final.
- (6) The Department will post to its web site an appeal filed with the Department or Board and any other document relating to the processing of the appeal. (2306.6717(a)(5))

(c) **Amendment of Application Subsequent to Allocation by Board.** (2306.6712 and 2306.6717(a)(4))

2005 Housing Tax Credit Program Qualified Allocation Plan and Rules

(1) If a proposed modification would materially alter a Development approved for an allocation of a housing tax credit, or if the Applicant has altered any selection criteria item for which it received points, the Department shall require the Applicant to file a formal, written request for an amendment to the Application.

(2) The Executive Director of the Department shall require the Department staff assigned to underwrite Applications to evaluate the amendment and provide an analysis and written recommendation to the Board. The appropriate party monitoring compliance during construction in accordance with 549.18 of this title shall also provide to the Board an analysis and written recommendation regarding the amendment.

(3) For Applications approved by the Board prior to September 1, 2001, the Executive Director will approve or deny the amendment request. For Applications approved by the Board after September 1, 2001, the Board must vote on whether to approve the amendment. The Board by vote may reject an amendment and, if appropriate, rescind a Commitment Notice or terminate the allocation of housing tax credits and reallocate the credits to other Applicants on the Waiting List if the Board determines that the modification proposed in the amendment:

- (A) would materially alter the Development in a negative manner; or
- (B) would have adversely affected the selection of the Application in the Application Round.

(4) Material alteration of a Development includes, but is not limited to:

- (A) a significant modification of the site plan;
- (B) a modification of the number of units or bedroom mix of units;
- (C) a substantive modification of the scope of tenant services;
- (D) a reduction of three percent or more in the square footage of the units or common areas;
- (E) a significant modification of the architectural design of the Development;
- (F) a modification of the residential density of the Development of at least five percent; (G) an increase or decrease in the site acreage of greater than 10% from the original site under control and proposed in the Application; and

(H) any other modification considered significant by the Board.

(5) In evaluating the amendment under this subsection, the Department staff shall consider whether the need for the modification proposed in the amendment was:

- (A) reasonably foreseeable by the Applicant at the time the Application was submitted; or
- (B) preventable by the Applicant.

(6) This section shall be administered in a manner that is consistent with the Code, 542.

(7) Before the 15th day preceding the date of Board action on the amendment, notice of an amendment and the recommendation of the Executive Director and monitor regarding the amendment will be posted to the Department's web site.

(8) In the event that an Applicant or Developer seeks to be released from the commitment to serve the income level of tenants targeted in the original Application, the following procedure will apply. For amendments that involve a reduction in the total number of low income Units being served, or a reduction in the number of low income Units at any level of AMGI represented at the time of Application, evidence must be presented to the Department that includes written confirmation from the lender and syndicator that the Development is infeasible without the adjustment in Units. The Board may or may not approve the amendment request, however, any affirmative recommendation to the Board is contingent upon concurrence from the Real Estate Analysis Division that the Unit adjustment (or an alternative Unit adjustment) is necessary for the continued feasibility of the Development. Additionally, if it is determined by the Department that the allocation of credits would not have been made in the year of allocation because the loss of low income targeting points would have resulted in the Application not receiving an allocation, and the amendment is approved by the Board, the approved amendment will carry a penalty that prohibits the Applicant and all persons or entities with any ownership interest in the Application (excluding any tax credit purchaser/syndicator), from participation in the Housing Tax Credit Program (4% or 9%) for 24 months from the time that the amendment is approved.

(d) Housing Tax Credit and Ownership Transfers. (2306.6713) A Development Owner may not transfer an allocation of housing tax credits or ownership of a Development supported with an allocation of housing tax credits to any Person other than an Affiliate of the Development Owner unless the Development Owner obtains the Executive Director's prior, written approval of the transfer. The Executive Director may not unreasonably withhold approval of the transfer.

(1) Transfers will not be approved prior to the issuance of IRS Forms 8609 unless the Development Owner can provide evidence that a hardship is creating the need for the transfer (potential bankruptcy, removal by a partner, etc.). A Development Owner seeking Executive Director approval of a transfer and the proposed transferee must provide to the Department a copy of any applicable agreement between the parties to the transfer, including any third-party agreement with the Department.

(2) A Development Owner seeking Executive Director approval of a transfer must provide the Department with documentation requested by the Department, including but not limited to, a list of the names of

2005 Housing Tax Credit Program Qualified Allocation Plan and Rules

transferees and Related Parties; and detailed information describing the experience and financial capacity of transferees and related parties. All transfer requests must disclose the reason for the request. The Development Owner shall certify to the Executive Director that the tenants in the Development have been notified in writing of the transfer before the 30th day preceding the date of submission of the transfer request to the Department. Not later than the fifth working day after the date the Department receives all necessary information under this section, the Department shall conduct a qualifications review of a transferee to determine the transferee's past compliance with all aspects of the Housing Tax Credit Program, LURAs; and the sufficiency of the transferee's experience with Developments supported with Housing Credit Allocations. If the viable operation of the Development is deemed to be in jeopardy by the Department, the Department may authorize changes that were not contemplated in the Application.

(3) As it relates to the Credit Cap further described in §49.6(d) of this section, the credit cap will not be applied in the following circumstances:

(A) in cases of transfers in which the syndicator, investor or limited partner is taking over ownership of the Development and not merely replacing the general partner; or

(B) in cases where the general partner is being replaced if the award of credits was made at least five years prior to the transfer request date.

(e) **Sale of Certain Tax Credit Properties.** Consistent with 2306.6726, Texas Government Code, not later than two years before the expiration of the Compliance Period, a Development Owner who agreed to provide a right of first refusal under 2306.6725, Texas Government Code and who intends to sell the property shall notify the Department of its intent to sell.

(1) The Development Owner shall notify Qualified Nonprofit Organizations and tenant organizations of the opportunity to purchase the Development. The Development Owner may:

(A) during the first six-month period after notifying the Department, negotiate or enter into a purchase agreement only with a Qualified Nonprofit Organization that is also a community housing development organization as defined by the federal home investment partnership program;

(B) during the second six-month period after notifying the Department, negotiate or enter into a purchase agreement with any Qualified Nonprofit Organization or tenant organization; and

(C) during the year before the expiration of the compliance period, negotiate or enter into a purchase agreement with the Department or any Qualified Nonprofit Organization or tenant organization approved by the Department.

(2) Notwithstanding items for which points were received consistent with §49.9(g) of this title, a Development Owner may sell the Development to any purchaser after the expiration of the compliance period if a Qualified Nonprofit Organization or tenant organization does not offer to purchase the Development at the minimum price provided by §42(i)(7), Internal Revenue Code of 1986 (26 U.S.C. Section 42(i)(7)), and the Department declines to purchase the Development.

(f) **Withdrawals.** An Applicant may withdraw an Application prior to receiving a Commitment Notice, Determination Notice, Carryover Allocation Document or Housing Credit Allocation, or may cancel a Commitment Notice or Determination Notice by submitting to the Department a notice, as applicable, of withdrawal or cancellation, and making any required statements as to the return of any tax credits allocated to the Development at issue.

(g) **Cancellations.** The Department may cancel a Commitment Notice, Determination Notice or Carryover Allocation prior to the issuance of IRS Form 8609 with respect to a Development if:

(1) The Applicant or the Development Owner, or the Development, as applicable, fails to meet any of the conditions of such Commitment Notice or Carryover Allocation or any of the undertakings and commitments made by the Development Owner in the Applications process for the Development;

(2) any statement or representation made by the Development Owner or made with respect to the Development Owner or the Development is untrue or misleading;

(3) an event occurs with respect to the Applicant or the Development Owner which would have made the Development's Application ineligible for funding pursuant to §49.5 of this title if such event had occurred prior to issuance of the Commitment Notice or Carryover Allocation; or

(4) The Applicant or the Development Owner or the Development, as applicable, fails to comply with these Rules or the procedures or requirements of the Department.

(h) **Alternative Dispute Resolution Policy.** In accordance with Section 2306.082, Texas Government Code, it is the Department's policy to encourage the use of appropriate alternative dispute resolution procedures ("ADR") under the Governmental Dispute Resolution Act, Chapter 2009, Texas Government Code, to assist in resolving disputes under the Department's jurisdiction. As described in Chapter 154, Civil Practices and Remedies Code, ADR procedures include mediation. Except as prohibited by the Department's ex parte communications policy,

2005 Housing Tax Credit Program Qualified Allocation Plan and Rules

the Department encourages informal communications between Department staff and Applicants, and other interested persons, to exchange information and informally resolve disputes. The Department also has administrative appeals processes to fairly and expeditiously resolve disputes. If at anytime an Applicant or other person would like to engage the Department in an ADR procedure, the person may send a proposal to the Department's Dispute Resolution Coordinator (fax: 512-475-3978). For additional information on the Department's ADR Policy, see the Department's General Administrative Rule on ADR at 10 Texas Administrative Code §1.17.

§49.18. Compliance Monitoring and Material Non-Compliance.

The Code, §42(m)(1)(B)(iii), requires the Department as the housing credit agency to include in its QAP a procedure that the Department will follow in monitoring Developments for compliance with the provisions of the Code, §42 and in notifying the IRS of any noncompliance of which the Department becomes aware. Detailed compliance rules and procedures for monitoring are set forth in Department Rule §60.1 of this title.()(())

§49.19. Department Records, Application Log, IRS Filings.

(a) **Department Records.** At all times during each calendar year the Department shall maintain a record of the following:

- (1) the cumulative amount of the State Housing Credit Ceiling that has been committed pursuant to Commitment Notices during such calendar year;
- (2) the cumulative amount of the State Housing Credit Ceiling that has been committed pursuant to Carryover Allocation Documents during such calendar year;
- (3) the cumulative amount of Housing Credit Allocations made during such calendar year; and
- (4) the remaining unused portion of the State Housing Credit Ceiling for such calendar year.

(b) **Application Log.** (2306.6702(a)(3) and 2306.6709) The Department shall maintain for each Application an Application Log that tracks the Application from the date of its submission. The Application Log will contain, at a minimum, the information identified in paragraphs (1) through (9) of this subsection.

- (1) the names of the Applicant and all General Partners of the Development Owner, the owner contact name and phone number, and full contact information for all members of the Development Team;
- (2) the name, physical location, and address of the Development, including the relevant Uniform State Service Region of the state;
- (3) the number of Units and the amount of housing tax credits requested for allocation by the Department to the Applicant;
- (4) any Set-Aside category under which the Application is filed;
- (5) the requested and awarded score of the Application in each scoring category adopted by the Department under the Qualified Allocation Plan;
- (6) any decision made by the Department or Board regarding the Application, including the Department's decision regarding whether to underwrite the Application and the Board's decision regarding whether to allocate housing tax credits to the Development;
- (7) the names of individuals making the decisions described by paragraph (6) of this subsection, including the names of Department staff scoring and underwriting the Application, to be recorded next to the description of the applicable decision;
- (8) the amount of housing tax credits allocated to the Development; and
- (9) a dated record and summary of any contact between the Department staff, the Board, and the Applicant or any Related Parties.

(c) **IRS Filings.** The Department shall mail to the Internal Revenue Service, not later than the 28th day of the second calendar month after the close of each calendar year during which the Department makes Housing Credit Allocations, the original of each completed (as to Part I) IRS Form 8609, a copy of which was mailed or delivered by the Department to a Development Owner during such calendar year, along with a single completed IRS Form 8610, Annual Low Income Housing Credit Agencies Report. When a Carryover Allocation is made by the Department, a copy of the Carryover Allocation Agreement will be mailed or delivered to the Development Owner by the Department in the year in which the building(s) is placed in service, and thereafter the original will be mailed to the Internal Revenue Service in the time sequence in this subsection. The original of the Carryover Allocation Document will be filed by the Department with IRS Form 8610 for the year in which the allocation is made. The original of all executed Agreement and Election Statements shall be filed by the Department with the Department's IRS Form 8610 for the year a Housing Credit Allocation is made as provided in this section. The Department shall be authorized to vary from the requirements of this section to the extent required to adapt to changes in IRS requirements.

§49.20. Program Fees, Refunds, Public Information Requests, Amendments of Fees and Notification of Fees, Extensions.

(a) **Timely Payment of Fees.** All fees must be paid as stated in this section. Any fees, as further described in this section, that are not timely paid will cause an Applicant to be ineligible to apply for tax credits and additional tax credits and ineligible to submit extension requests, ownership changes and Application amendments. Payments made by check, for which insufficient funds are available, may cause the Application, commitment or allocation to be terminated.

(b) **Pre-Application Fee.** Each Applicant that submits a Pre-Application shall submit to the Department, along with such Pre-Application, a non refundable Pre-Application fee, in the amount of \$10 per Unit. Units for the calculation of the Pre-Application Fee include all Units within the Development, including tax credit, market rate and owner-occupied Units. Pre-Applications without the specified Pre-Application Fee in the form of a check will not be accepted. Pre-Applications in which a CHDO or Qualified Nonprofit Organization intends to serve as the managing General Partner of the Development Owner, or Control the managing General Partner of the Development Owner, will receive a discount of 10% off the calculated Pre-Application fee.

(c) **Application Fee.** Each Applicant that submits an Application shall submit to the Department, along with such Application, an Application fee. For Applicants having submitted a Pre-Application which met Pre-Application Threshold and for which a Pre-Application fee was paid, the Application fee will be \$20 per Unit. For Applicants not having submitted a Pre-Application, the Application fee will be \$30 per Unit. Units for the calculation of the Application Fee include all Units within the Development, including tax credit, market rate and owner-occupied Units. Applications without the specified Application Fee in the form of a check will not be accepted. Applications in which a CHDO or Qualified Nonprofit Organization intends to serve as the managing General Partner of the Development Owner, or Control the managing General Partner of the Development Owner, will receive a discount of 10% off the calculated Application fee. (2306.6716(d))

(d) **Refunds of Pre-Application or Application Fees.** (2306.6716(c)) The Department shall refund the balance of any fees collected for a Pre-Application or Application that is withdrawn by the Applicant or that is not fully processed by the Department. The amount of refund on Applications not fully processed by the Department will be commensurate with the level of review completed. Intake and data entry will constitute 30% of the review, the site visit will constitute 45% of the review, and Threshold and Selection review will constitute 25% of the review. The Department must provide the refund to the Applicant not later than the 30th day after the date the last official action is taken with respect to the Application.

(e) **Third Party Underwriting Fee.** Applicants will be notified in writing prior to the evaluation of a Development by an independent external underwriter in accordance with §49.9(d)(6) of this title if such a review is required. The fee must be received by the Department prior to the engagement of the underwriter. The fees paid by the Development Owner to the Department for the external underwriting will be credited against the commitment fee established in subsection (f) of this section, in the event that a Commitment Notice or Determination Notice is issued by the Department to the Development Owner.

(f) **Commitment or Determination Notice Fee.** Each Development Owner that receives a Commitment Notice or Determination Notice shall submit to the Department, not later than the expiration date on the commitment notice, a non-refundable commitment fee equal to 5% of the annual Housing Credit Allocation amount. The commitment fee shall be paid by check.

(g) **Compliance Monitoring Fee.** Upon receipt of the cost certification, the Department will invoice the Development Owner for compliance monitoring fees. The amount due will equal \$40 per tax credit unit. The fee will be collected, retroactively if applicable, beginning with the first year of the credit period. The invoice must be paid prior to the issuance of from 8609. Subsequent anniversary dates on which the compliance monitoring fee payments are due shall be determined by the beginning month of the compliance period.

(h) **Building Inspection Fee.** The Building Inspection Fee must be paid at the time the Commitment Fee is paid. The Building Inspection Fee for all Developments is \$750. Inspection fees in excess of \$750 may be charged to the Development Owner not to exceed an additional \$250 per Development. Developments receiving financing through TX-USDA-RHS that will not have construction inspections performed through the Department will be exempt from the payment of an inspection fee.

(i) **Tax Exempt Bond Credit Increase Request Fee.** As further described in Section 49.12(d) of this section, requests for increases to the credit amounts to be issued on IRS Forms 8609 for Tax Exempt Bond Developments must be submitted with a request fee equal to one percent of the first year's credit amount.

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(j) **Public Information Requests.** Public information requests are processed by the Department in accordance with the provisions of the Government Code, Chapter 552. The Texas Building and Procurement Commission (formerly General Services Commission) determines the cost of copying, and other costs of production.

(k) **Periodic Adjustment of Fees by the Department and Notification of Fees.** (2306.6716(b)) All fees charged by the Department in the administration of the tax credit program will be revised by the Department from time to time as necessary to ensure that such fees compensate the Department for its administrative costs and expenses. The Department shall publish each year an updated schedule of Application fees that specifies the amount to be charged at each stage of the Application process. Unless otherwise determined by the Department, all revised fees shall apply to all Applications in process and all Developments in operation at the time of such revisions.

(l) **Extension Requests.** All extension requests relating to the Commitment Notice, Carryover, Substantial Construction Commencement, Placed in Service or Cost Certification requirements shall be submitted to the Department in writing and be accompanied by a non-refundable extension fee in the form of a check in the amount of \$2,500. Such requests must be submitted to the Department no later than the date for which an extension is being requested and will not be accepted any later than this deadline date. The extension request shall specify a requested extension date and the reason why such an extension is required. Carryover extension requests shall not request an extended deadline later than December 1st of the year the Commitment Notice was issued. The Department, in its sole discretion, may consider and grant such extension requests for all items. If an extension is required at Cost Certification, the fee of \$2,500 must be received by the Department to qualify for issuance of Forms 8609. The Board may waive related fees for good cause.

549.21. Manner and Place of Filing All Required Documentation.

(a) All Applications, letters, documents, or other papers filed with the Department must be received only between the hours of 8:00 a.m. and 5:00 p.m. on any day which is not a Saturday, Sunday or a holiday established by law for state employees.

(b) All notices, information, correspondence and other communications under this title shall be deemed to be duly given if delivered or sent and effective in accordance with this subsection. Such correspondence must reference that the subject matter is pursuant to the Tax Credit Program and must be addressed to the Housing Tax Credit Program, Texas Department of Housing and Community Affairs, P.O. Box 13941, Austin, TX 78711-3941 or for hand delivery or courier to 507 Sabine, Suite 400, Austin, Texas 78701. Every such correspondence required or contemplated by this title to be given, delivered or sent by any party may be delivered in person or may be sent by courier, telecopy, express mail, telex, telegraph or postage prepaid certified or registered air mail (or its equivalent under the laws of the country where mailed), addressed to the party for whom it is intended, at the address specified in this subsection. Regardless of method of delivery, documents must be received by the Department no later than 5:00 p.m. for the given deadline date. Notice by courier, express mail, certified mail, or registered mail will be considered received on the date it is officially recorded as delivered by return receipt or equivalent. Notice by telex or telegraph will be deemed given at the time it is recorded by the carrier in the ordinary course of business as having been delivered, but in any event not later than one business day after dispatch. Notice not given in writing will be effective only if acknowledged in writing by a duly authorized officer of the Department.

(c) If required by the Department, Development Owners must comply with all requirements to use the Department's web site to provide necessary data to the Department.

549.22. Waiver and Amendment of Rules.

(a) The Board, in its discretion, may waive any one or more of these Rules if the Board finds that waiver is appropriate to fulfill the purposes or policies of Chapter 2306, Texas Government Code, or for other good cause, as determined by the Board.

(b) The Department may amend this chapter and the Rules contained herein at any time in accordance with the Government Code, Chapter 2001.

549.23. Deadlines for Allocation of Housing Tax Credits. (2306.6724)

(a) Not later than September 30 of each year, the Department shall prepare and submit to the Board for adoption the draft QAP required by federal law for use by the Department in setting criteria and priorities for

2005 Housing Tax Credit Program Qualified Allocation Plan and Rules

the allocation of tax credits under the Housing Tax Credit program. (b) The Board shall adopt and submit to the Governor the QAP not later than November 15 of each year.

(c) The Governor shall approve, reject, or modify and approve the QAP not later than December 1 of each year. (2306.67022)(§42(m)(1))

(d) The Board shall annually adopt a manual, corresponding to the QAP, to provide information on how to apply for housing tax credits.

(e) Applications for Housing Tax Credits to be issued a Commitment Notice during the Application Round in a calendar year must be submitted to the Department not later than March 1.

(f) The Board shall review the recommendations of Department staff regarding Applications and shall issue a list of approved Applications each year in accordance with the Qualified Allocation Plan not later than June 30.

(g) The Board shall approve final commitments for allocations of housing tax credits each year in accordance with the Qualified Allocation Plan not later than July 31, unless unforeseen circumstances prohibit action by that date. In any event, the Board shall approve final commitments for allocations of housing tax credits each year in accordance with the Qualified Allocation Plan not later than September 30. Department staff will subsequently issue Commitment Notices based on the Board's approval. Final commitments may be conditioned on various factors approved by the Board, including resolution of contested matters in litigation.

SOWELL & Co

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www.sowellco.com

JAMES S. CORNELIUS
jcornelius@sowellco.com

October 31, 2005

Ms. Robbye Meyer
TDHCA
P. O. Box 13941
Austin, Texas 78711

Via E-Mail

Re: TDHCA Application – Rolling Creek Apartments, Houston, Harris County, Texas

Dear Robbye:

We are the developer of the Terrace Brook subdivision, north of the proposed Rolling Creek Apartments. Generally, we welcome the development of another residential use adjacent to our communities. I have recently learned some additional information that gives us a great deal of concern about the viability of this project and the skill of its sponsors.

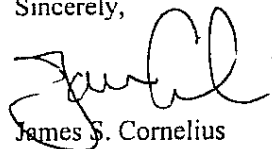
The original plat we were shown for this project had a street out to Fairbanks N. Houston. As the project progressed, the developer deleted that street, in violation of the submittals made to the City of Houston (COH). Attached is a copy of the letter the COH sent, requiring the developer to resubmit his plat, in compliance with their original representation.

As the neighboring community to the north, we certainly wish that none of the Rolling Creek Apartments traffic came through our neighborhood. However, when we were shown the connection to Fairbanks North Houston, we felt that the bulk of the traffic would use that connection and therefore it was beneficial to have a residential use as our neighbor.

Although this problem appears resolved, based upon the latest plat submitted to the COH, my concerns persist. The sponsors have told me that this is their first project. It shows. Trying to slip a change like this by the COH and the public was very unprofessional. Fortunately, we caught it. However, we may not catch the next "cost saving" measure. This is the type of disrespect for the surrounding neighborhoods that give projects like this a bad name.

In the interest of the success of TDHCA's programs, I urge you to defer or deny any approval of this project that does not contain definitive plans and specifications to insure that the developer constructs what has been represented to the public.

Sincerely,



James S. Cornelius



CITY OF HOUSTON

Planning & Development
Department

Bill White

Mayor

Robert M. Litke
Director
Planning & Development
Department
P.O. Box 1562,
Houston, Texas 77251-1562
611 Walker 6th Floor,
Houston, Texas 77002

T. 713.837.7708
F. 713.837.7703
www.cityofhouston.gov

May 18, 2005

Ms. Yolanda Norman
R.G. Millier and Associates
12121 Wickchester Lane, Ste. 200
Houston, TX 77079

Re: Rolling Creek Apartments

Dear Ms. Norman:

We have determined that the street pattern illustrated on the final plat for Rolling Creek Apartments was altered from that of the preliminary plat approved by Planning Commission on January 13, 2005. Though this change was also approved by Planning Commission, on February 10, 2005, it does not conform to the conditions required of the earlier plat.

We will not be able to record a final plat for Rolling Creek Apartments until a final plat depicting the preliminary CPC 101 form or another preliminary plat requesting variances is submitted. If the later option is selected, a final plat will also be required.

If you have any questions, please call Landell Ramagos at 713-837-7776.

Sincerely,

Marlene Gafrick
Deputy Director
MG:jo

Council Members: Toni Lawrence Carol M. Galloway Mark Goldberg Ada Edwards Addie Wiseman
M. J. Khan Pam Holm Adrian Garcia Carol Alvarado Mark Ellis Gordon Quan Ronald C. Green
Shelley Sekula-Gibbs M. D. Michael Berry Controller: Annise D. Parker

OCT 12 PM 2:05

October 11, 2005

TO:

Governor Rick Perry
Via fax: (512) 463-1849

FROM:

Suzanne M. Saur
8310 Partlow Lane
Houston, Harris County, TX 77040
jacksaur@hal-pc.org
832-467-2920
832-467-2921 Fax
832-620-6640 Cell

RE: Proposed:

TDHCA HTC project
"Rolling Creek Apartments"
8038 Gatehouse Dr.,
Houston, Harris County, Texas.

Funds Applied For: \$14.6 million in tax exempt bonds,
\$6 million in tax credits.

Developers:

Cynosure Developers:
Mark T. Bower and Daniel R. Sereni.

Dear Governor Perry:

My address is located in Rolling Fork Section 2. I have resided here for 5 years. Because of the proximity to my home, this TDHCA project directly affects me.

I have been involved in opposition to this proposed development since its inception. My concerns with this project are numerous,

including necessity and need for this project, flooding, the burden on already overcrowded schools, and the increased traffic on Fairbanks-North Houston and more.

However, the overriding factor in my opposition is the financial background of Mr. Bower and Mr. Sereni. It appears from the evidence (public records) they have not exercised good financial management. Research from those public records reveal the following:

I. Mark T. Bower

A. Certified Copies of Court records filed with the County Clerk's Office in Nueces County, Texas show:

1. "Notice of Federal Tax Lien"
 - a. Filed by: Department of Treasury – Internal Revenue Service
 - b. Date filed: 1/17/1997
 - c. Doc #: 970200052
 - d. Name of taxpayer: Mark Todd Bower
Mark T. Bower, CPA
 - e. Kind of tax: 941
 - f. Tax Period: 3/31/1996 & 6/30/1996
 - g. Unpaid balance of assessment: \$28,346.34
 - h. Court records do not show a "Certificate of Release of Federal Tax Lien"

2. "Notice of Federal Tax Lien"
 - a. Filed by: Department of Treasury – Internal Revenue Service
 - b. Date Filed: 07/30/1998
 - c. Doc #: 980201046
 - e. Name of taxpayer: Mark T. & Annette A. Bower
 - f. Kind of tax: 1040

- g. Tax Period: 12/31/1996
- h. Unpaid balance of assessment: \$32,298.76
- i. "Certificate of Release of Federal Tax Lien" filed 08/06/2004, Doc# 2004040550

3. "Notice of Federal Tax Lien"

- a. Filed by: Department of Treasury – Internal Revenue Service
- b. Date Filed: 10/16/1998
- c. Doc #: 1998046210
- e. Name of taxpayer: Mark T. & Annette A. Bower
- f. Kind of tax: 1040
- g. Tax Period: 12/31/1997
- h. Unpaid balance of assessment: \$13,643.84
- i. Court records do not show a "Certificate of Release of Federal Tax Lien"

B. Certified Copies of Court Records filed with the District Clerk's office in Nueces County, Texas show:

Case No. 05-1178-B; In the Matter of the Marriage of Annette Alvarez Bower and Mark Todd Bower and In the Interest of Meredith Emilia Bower, a child; In the District Court 117th Judicial District, Nueces County, Texas (pending divorce)

- 1. Document Entitled: "Inventory and Proposed Property Division"
 - a. Date Filed: 07/14/2005
 - b. Filed By: Mark Todd Bower
 - c. Document states: "13. Debts
 - 13.1: See Attached (No attachments were filed)
 - Fair Market Value: \$820,699. The proposal gives the total Debt of \$820,699 to Mr. Bower.

2. Document Entitled: "Proposed Support Decision (and Information)"

a. Date Filed: 07/14/2005

b. Filed by: Mark Todd Bower

c. Document states: (Attachment) "Mark and Annette Bower Debt Schedule"

Specifically lists community debts totaling \$820,699. Included are the following listed debts:

IRS – Old Taxes: \$43,748

IRS – 2003 Taxes \$23,000

IRS – 2004 Taxes \$43,000

IRS – 2005 Taxes \$7500 (Total 117,248)

Unsecured Credit Card debt - \$47,012

Personal outstanding loans - \$218,439

Related outstanding notes - \$438,000

With each debt listed, there were no supporting documents on file.

Mr. Bowers Personal Financial Statement filed with the application to TDHCA and dated July 31, 2005, shows unsecured credit card debt of \$12,000. The only other outstanding liability listed is his car loan, which is listed on his inventory in his pending divorce case as well. That is where the similarity ends. It would appear that the information in one of these filings is erroneous. How is it that all of these documents filed in the same month be so dissimilar? The Personal Financial Statement filed with TDHCA dated July 31, 2004 also makes no mention of the IRS debt. What is Mr. Bower's true financial situation?

I was at the public hearing on September 29, 2005 at Reed Elementary School and Mr. Bower was asked to respond to the unpaid tax debt. Each time he responded "I do not owe the IRS any money". He was asked if he paid these taxes since July 15, 2005 and he again responded "I do not owe the IRS any money". He would provide no further explanation.

II. Daniel R. Sereni

A. Certified Copies of Court records filed with the Clerk of the United States Bankruptcy Court Southern District of Texas show:

1. Case Number: 91-21594-C-7; In Re Daniel Robert Sereni United States Bankruptcy Court Southern District of Texas (McAllen) dba Bay Area Contractors, A General Partnership dba Pacific Coast Builders, A General Partnership
 - Voluntary Petition Filed 08/08/1991
 - Estimated Liabilities in Thousands of Dollars: 100-499
 - Estimated Number of Creditors: 16-49
 - Estimated Number of Assets in Thousands of Dollars: Under 50
 - Type of Business: Construction
 - Nature of Business: Residential and light commercial construction
 - Pending Bankruptcy Case Filed by any Spouse, Partner or Affiliate of Debtor: Richey, Matthew, Former Partner Case Number: 390-367-39-H 13 in Oregon, Filed on 12/12/1990
 - Mr. Sereni's bankruptcy was dismissed on 12/18/1991 for failure to file IBM mailing cards (notice mail to creditors)
 - Report of Abandonment Filed on 02/11/1992

2. Case Number: 94-21973-M-7; In Re Daniel Robert Sereni United States Bankruptcy Court Southern District of Texas (McAllen) dba Bay Area Contractors, A General

Partnership fdba Pacific Coast Builders, A General Partnership

- Voluntary Petition Filed: 09/12/1994
- Estimated Liabilities in Thousands of Dollars: 100-499
- Estimated Number of Creditors: 16-49
- Estimated Number of Assets in Thousands of Dollars: Under 50
- Type of Business: Construction
- Nature of Business: Residential and light commercial construction
- Total Assets: \$3,770.00
- Total Liabilities: \$130,717.89
- No Assets Available to Pay Creditors
- Debtor Discharged: 01/12/1995
- Case Closed: 02/09/1995

B. Documents on file with the Secretary of State's Office in Austin, Texas show:

Texas Plantations Incorporated, Charter Number: 1273013-00 of which Daniel R. Sereni is its Secretary, Registered Agent, and Vice President forfeited its right to do business on 03/09/1999 and its Charter was forfeited on 08/20/1999 for failure to file a current year franchise tax report.

Mr. Sereni was not present at the public hearing on September 29, 2005. However, Mr. Bower was asked about the 2 Sereni bankruptcies. He dismissed the question with the following statement: ".....that was in 1991, and he is not in bankruptcy....."

The only way to judge a person's future action is on their past actions. Mr. Bower and Mr. Sereni do not appear to have exhibited

fiscal responsibility in the past. Further, neither has exhibited the desire to prove otherwise.

Based on the facts above please instruct the TDHCA Board to **DENY** this application in accordance with the Texas Department of Housing and Community Affairs Multifamily Finance Division 2005 Multifamily Housing Revenue Bond Program and the Texas Administrative Code, specifically, Title 10, "Community Development", Part I., "Texas Department of Housing and Community Affairs", Chapter 35, "Multifamily Housing Revenue Bond Rules", Rule 35.6, "Application Procedures, Evaluation and Approval", (i): which states as follows:

"Public Hearings; Board Decisions

The Department's Board will consider the following topics in relation to the approval of a proposed Development:

(1) any matter considered by the Board to be relevant to the approval decision and in furtherance of the Department's purposes and the policies of Chapter 2306, Texas Government Code."

In addition, **a possible review** of section 35.6 (g), "Evaluation Criteria" (5)(C) and (6) **might be** warranted in this case.

Further authority is found in the Texas Department of Housing and Community Affairs Multifamily Finance Production Division 2005 Housing Tax Credit Program Qualified Allocation Plan and Rules with Emergency Amendments as Modified and Approved by Governor Rick Perry, section 49.10, "Board Decisions; Waiting List: Forward Commitments". (a), "Board Decisions." (2) which states as follows:

In making a determination to allocate tax credits, the Board shall be authorized to not rely solely on the number of points scored by an Application. It shall in addition, be entitled to take into

account, as it deems appropriate, the discretionary factors listed in this paragraph. The Board may also apply these discretionary factors to its consideration of Tax Exempt Bond Developments. If the Board disapproves or fails to act upon an Application, the Department shall issue to the Applicant a written notice stating the reason(s) for the Board's disapproval or failure to act. In making tax credit decisions (including those related to Tax Exempt Bond Developments), the Board, in its discretion, may evaluate, consider and apply any one or more of the following discretionary factors: (2306.111(g)(3))
(S) any matter considered by the Board to be relevant to the approval decision and in the furtherance of the Department's purposes and the policies of Chapter 2306, Texas Government Code; or
(T) other good cause as determined by the Board.

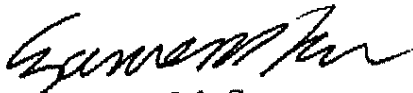
In addition, a possible review of section 49.5, "Ineligibility, Disqualification and Debarment, Applicant Standards, Representation by Former Board Member or Other Person.", (a)3 and (b)(1) might be warranted in this case.

The documents referred to are available should you wish to review same. All of the documents discussed in this letter were found by searching public records. Additional details and documents on the financial backgrounds of Mr. Bower & Mr. Sereni as well as other pertinent issues on this proposed project will be further discussed in an opposition binder that will be filed with the TDHCA on or before October 28, 2005.

If you have any questions, please do not hesitate to contact me.

Thank you for your attention to this matter

Sincerely,



Suzanne M. Saur

Cc: Congressman John Culberson
Via fax: (713) 680-8070
Lt. Governor David Dewhurst
Via fax: (512) 936-6700
Speaker Tom Craddick
Via fax: (512) 463-7722
Senator John Whitmire
Via fax: (713) 864-5287
Representative Gary Elkins
Via fax: (713) 468-2873
Representative Peggy Hamric
Via fax: (512) 463-2077
Representative Joe Nixon
Via fax: (512) 479-1330
Representative Corbin Van Arsdale
Via fax: (512) 463-4130
County Judge Robert Eckels
Via fax: (713) 755-8389
Commissioner Jerry Eversole
Via fax: (281) 353-8920
Robbye Meyer @ TDHCA
Via fax: (512) 475-0764
Superintendent Dr. David Anthony
Via fax: (281) 897-4125

Gerald A. Teel, MAI, CRE
Chris Lantz
Bruce Williams
Kirby Simmons
Steve Rodman, MAI, CCIM
Edwin W. Litloff, Jr., CCIM, MAI

974 Campbell Rd., Suite 204
Houston, Texas 77024
Tel: 713.467.5858
Fax: 713.467.0704
Email: gteel@gateel.com

Tim N. Treadway, MAI, CCIM
Michael G. Divin
Kathy V. Bedford
Jason Mushinski
Jay Michals
Jack Taylor, MAI, CCIM

September 29, 2005

Fairbanks Area Partnership
C/O Mr. Charles Jackson
8310 Partlow Lane
Houston, TX 77040

Re: Consultation regarding a proposed LIHTC property referred to as The Rolling Creek Apartments to be constructed on the east line of Fairbanks North Houston Road, Harris County, Texas

Dear Mr. Jackson:

In accordance with your request, we have completed a desk review of the market study for the aforementioned property dated January 4, 2005. The market study appears to be in compliance with TDHCA (Texas Department of Housing and Community Affairs) requirements and guidelines. There are some typographical errors, however they would not have a measurable affect on the conclusions. There were two more LIHTC properties in the vicinity that were not noted in the report, Sprucewood at 12101 Steepleway and Sugar Creek at 11501 West Road. Also, concessions were not noted in the comparable write ups, but were addressed in the rent adjustment grids. It is interesting to note, that including demand from other sources (which is primarily from new household growth not addressed in the demographics) that household growth accounts for 9.7% of the potential demand for this product, and that lateral movement within the PMA accounts for 90.3% of the total demand. Therefore, over 90% of the potential demand for the Rolling Creek Apartments will be from tenants leaving other properties. This situation is not uncommon in older neighborhoods that have subpar product, but using data from the market study, this neighborhood has over 47% of the units built after 1990.

The market study depicts the rent versus buy analysis in the back of the report. Rather than comparing the individual product type, i.e. being 2 bedroom apartment to two bedroom home, the analysis concludes a bulk figure, which is typical. However, if the pricing of the two bedroom homes noted in the report were compared to the two bedroom subject units, the indicated analysis would be rent at \$706 versus ownership at about \$787 per month. Using the same methodology in the three bedroom product, subject rents versus ownership, rent would be about \$813 versus \$950 per the market study, although is using the pricing for the three bedroom homes, the ownership figures would

be closer to \$840 to \$850. Therefore, in each instance, ownership would not be significantly different from renting, although other factors such as downpayment, upkeep, etc., age, would affect this analysis.

The average occupancy of the subject micro market per the market study was 85.9% as of January 2005. Class A product had an overall occupancy of 85.7% and Class B product had an overall occupancy of 85.4%. Typically LIHTC product falls in the Class B segment as amenities are usually below that of the Class A market. Class B product had negative absorption since March 2003 of 315 units, Class C also had negative absorption of 76 units. Only the Class A product had positive absorption, totaling 1,059 units. The absorption of the Class A product had been driving this submarket. The occupancies of the most similar product (Class B) in the sub-market were below stabilized levels. The foregoing implies that to attain a stabilized occupancy level of about 93%, 674 more units would have to be absorbed including all product.

From a more recent survey by Apartment Data Services (ADS), August 2005 update, the subject is in the Inwood/Northwest Micro Market that was at 80.4% occupancy with 22.0% of the units built after 2000. Per ADS, the average occupancy of Class A product was 87.5% with Class B at 77.2%, and Class C at 82.5%. Per ADS this micro-market had a negative 33 units absorbed from October 2004 to August 2005. Absorption was positive in the last 5 months at 49 units. Rent growth was negative over the last 3 months by 2% and negative 0.7% over the last 12 months. Occupancy was down 6.9% over the last 12 months. A copy of this print out is attached to this letter.

Much of the deficit in occupancies has likely been absorbed due to the influx of tenants from Hurricane Katrina and several of the properties have marked increases in occupancy. For example, Sugar Creek, a 60% LIHTC property not mentioned in the market study, although it is within the PMA (primary market area) jumped from 80% occupancy in March 2005 to 97% in April 2005. This latter property is all 60% rents similar to that proposed for Rolling Creek. Another LIHTC property not mentioned in the market study, Sprucewood, also in the subject PMA, is a mixed rents property, part 50% rents, part 60% rents and part market rents. Its occupancy level has been in the mid to high 90% range over the last 12 months. The property noted as being most similar to the subject in the market study, The Park at Woodwind Lakes varies substantially from the proposed subject property in two regards. All units, save for some one bedroom units are townhomes, with no tenants above, and it too is a mixed rents product, with 50%, 60% and market rents. Therefore, there is a smaller amount of 60% rents in this latter product and it has a larger pool of potential tenants. Management at this property indicated that they had instituted concessions in the recent past on the market rents, and some on the 60% rents. No concessions were offered on the 50% rents, and due to the influx of tenants from Hurricane Katrina, concessions have now been removed for all unit types. This property was currently 96% occupied. This property had been in the mid 90% occupancy level for over 12 months. Three market rents properties noted in the market study were also surveyed; The Franklin, Bellmeade, and Broadstone. Occupancy was not reported for The Franklin, but it and Broadstone were offering concessions as of

July. Bellmeade was operating at 93% occupancy, having jumped up from 75% in July 2005. Broadstone was reportedly at 89% occupancy up from 82% in July 2005.

It is not clear as to the permanent affect on the market this increase in tenancy will have as no-one knows at this point if these households will remain. Currently the market appears to be performing at occupancy levels that are above average. Historically, within this submarket, the occupancy levels would not support additional new construction as too much dilution would be probable until the excess product was absorbed. This has likely been temporarily or permanently alleviated due to the increase in tenancy from the Katrina victims.

Concessions appear to have been moderate to significant in this submarket until recently, and occupancy levels had also continued to erode until recently, per ADS.

This letter is to convey our findings per your request. If you have any questions regarding any of our conclusions, please call.

Sincerely,

THE GERALD A. TEEL COMPANY, INC.

BY:

Gerald A. Teel, MAI, CRE, President
State Certified
TX-1320749-G

Tim N. Treadway, MAI, CCIM
State Certified
TX-1323331-G

Shannon Roth

From: Findley & Marianne West [fandmwest@earthlink.net]
Sent: Friday, September 23, 2005 7:20 AM
To: shannon.roth@tdhca.state.tx.us
Subject: Fw: Public Hearing

----- Original Message -----

From: Findley & Marianne West
To: robbye.meyer@tdhca.state.tx.us
Sent: Friday, September 23, 2005 7:10 AM
Subject: Public Hearing

Ms. Meyer, I was planning to attend the Public Hearing on the Rolling Creek Apartments this Thursday, September 29. Many of the residents who live in the area of the proposed apartments have left this area in the wake of Hurricane Rita. This area's homes and other buildings will likely suffer severe flood and structural damage. Because of this, I am urging you to please postpone the date of this meeting.

Sincerely,
Marianne West

9/23/2005

Robbye Meyer

From: B. RIVERA [babs456@swbell.net]
Sent: Wednesday, October 12, 2005 9:36 PM
To: robbye.meyer@tdhca.state.tx.us
Subject: rolling creek apartments comment

I oppose the Rolling Creek Apartment proposed development for the following reasons:

Discrimination is discrimination and I don't think that the federal government should be involved in it. If you cannot live in those apartments unless you make a certain income, that is discrimination.

I know from the experience of having had to move from a home and 2 apartments that lower rent brings more crime

The development will cause flooding problems and should not be funded with assistance from the federal government

The development will create more traffic

The developer seems a little shifty as was brought up at the meeting and I can't believe they are going to be allowed to get tax breaks from the government.

This will not enhance the community. Apartments usually go down hill fast.

We do not need these apartments in this community.

B. J. Rivera
6415 Silver Shade Dr.
Houston, TX 77064

Audrey Martin

From: Norma Martinez [noothernorma@yahoo.com]
Sent: Friday, October 28, 2005 12:02 AM
To: audrey.martin@tdhca.state.tx.us
Subject: TDHCA Board decision for Rolling Creek Apts to be decided on 11-10-05

Ms. Martin: Below is a message I had sent to Ms. Meyer. Please make sure this information is provided to Ms. Meyer and/or any other person who will need to take action to voice my concerns over the application for the Rolling Creek Apartments' application for an exemption of multi family bonds and housing tax credits, that will be decided on November 10, 2005. Thank you.

Ms. Meyer: This message is to request that the TDHCA Board deny the application of the Rolling Creek Apartments, 8038 Gatehouse Drive, Houston, Harris County, Texas for a Tax Exempt Multi Family Bonds and Housing Tax Credits. You most probably have heard from a number of the residents in the area who oppose the Rolling Creek Apartment, and this message is certainly to express to you my personal opposition to this project. There were a number of good reasons to deny this project, that were voiced during a meeting held recently at the auditorium of Reed Elementary School. I was present at that meeting. Even though I did not ask to be heard during the meeting, I want to make sure you are aware that two of the most important reasons why this project should be denied are: (1) Lack of necessity for another "affordable housing community," and (2) the detriment that such project will make to the already flooding problem. We certainly had a closed call with the threat of Hurricane Rita. I don't even want to imagine what kind of outcome we could have if in the future if another similar hurricane hits our area. Please help us not to bring additional factors that will contribute to flooding problems, to name only one factor that will impact our neighborhoods negatively. Thank you for your time and consideration to a "NO" to the application of Rolling Creek Apartments.

Norma Martinez
7830 Hillbarn Drive
Houston, TX 77040
(713) 466-0084
Email: noothernorma@yahoo.com

[Yahoo! FareChase - Search multiple travel sites in one click.](#)

Robbye Meyer

From: Wags4ttu@aol.com
Sent: Tuesday, October 18, 2005 7:51 PM
To: robbye.meyer@tdhca.state.tx.us
Subject: Oppose Rolling Creek funding

Please oppose the Rolling Creek Apt. project funding proposed for Fairbanks No.-Houston, Houston, Texas.

Traffic on this street is already at a crawl. Flooding has devastated many homes in the area. I do not want my home flooded because of this project which, by regulation is higher than everything else in the area.

Schools are struggling with overcrowding and low performance. Many low income units are already available (19% vacancy) in the area. Area transportation and jobs are limited. The project does not meet your government criteria.

Please apply our tax dollars in a more prudent way. (Like controlling illegal immigration, improving state infrastructure and keeping our state solvent now and into the future.)

Thank you,
L. Wagner

October 24, 2005

Robbye Meyer
TDHCA
P. O. Box 13941
Austin, Texas 78711-3941

RECEIVED

OCT 26 2005

LHHC

Dear Ms. Meyer,

I am writing to express my opposition to the issuance of tax exempt bonds and housing tax credits for the construction of Rolling Creek Apartments.

I understand that the decision of the TDHCA is based solely on the need in our area for apartments. If you could ride just within two to three miles of the proposed land where these apartments are to be built you would see many apartment complexes many of whose rents are comparable to the proposed Rolling Creek Apartments.

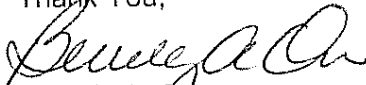
We have no public transportation on Fairbanks North Houston which is a major thoroughfare and no sidewalks along this thoroughfare on which to walk over the four miles to the nearest public transportation

We as homeowners are becoming concerned with all the new construction around us that all of our wetland and green space is going away which will cause flooding in our area. Before all the new construction in our area there was no flooding of homes off of Fairbanks North Houston. Since then, due to the increase in this new construction in our area, communities have flooded numerous times. The area surrounding the proposed apartments has had over \$38 million in flood related buyouts and over \$111 million more has been paid in federal flood insurance claims. I have had the opportunity lately of walking these neighborhoods. It is sad to see where once there were a line of homes now there will be one house and then three empty lots where houses were torn down due to flooding. It was truly an eye opener and it has just made me more determined to oppose the building of Rolling Creek Apartments.

Because Harris County Flood Control District requires that all new construction is built 18 inches above the flood plain, the likelihood of our subdivision being flooded in the future is a great concern to all of the residents in Courtyard Glen Subdivision which will be located adjacent to the Rolling Creek Apartments. I would hate to see Federal Funds being used to build these Apartments and then having to turn around and buy-out our homes due to flooding. I truly believe that having the land vacant next to our subdivision in the past has stopped us from flooding as other areas in our community have. Our neighbor has walked the property where these apartments are to be built and he stated that it is constantly wet so if the apartments are allowed to be built it is going to turn that land into a large amount of concrete and then where will all the runoff go but directly into our neighborhood or Terrace Brook on the opposite side of this proposed construction.

Please consider my concerns and say no to the issuance of tax exempt bonds and housing tax credits for the construction of Rolling Creek Apartments. These apartments will only hurt our community. It has already affected our subdivision causing many of our residents to move due to the fear of their homes being flooded in the future and also the effect these apartments will have on our schools where their children attended. Please don't make it necessary for my husband and I to move also.

Thank You,


Beverly A. Orr

September 28, 2005

Robbye Meyer
Texas Department of Housing and Community Services
Multifamily Finance Production Division
P. O. Box 13941
Austin, TX 78711-3941

Mr. Robbye Meyer:

Please consider this letter notification of my **strong objection to the proposed Rolling Creek Apartment**, a 248 unit multifamily residential rental development to be constructed through participation in the Tax-Exempt Multifamily Bond Program on the 7800 block of Fairbanks North Houston in Harris County, Texas

This new development should be stopped because:

- This proposed development is located in the Cypress-Fairbanks Independent School District. This district is one of the fastest growing in the state. The schools to which this development would be zoned are currently filled over capacity, and likely will be next year even without this development. The Schools affected are Reed Elementary is 47%, Frazier Elementary is 67% and Dean Middle School is 52% economically disadvantaged. The Cy-Fair ISD average is 28%. The additional population of more economically challenged will make this worse.
- The PTO is already stretched to its limits with trying to find volunteers and decreased fundraising dollars. Most of the hard working families who live in these affordable housing units have little or not time to volunteer in the school.
- I am concerned that the new construction will affect the ability of the ground to absorb storm water leading to an increased chance of flooding in our area. The White Oak Bayou watershed does not have much, if any, additional spare capacity to handle additional runoff. This area is a high risk for flooding.
- The traffic on Fairbanks North Houston Road is already very congested. The additional population will only make it worse. Residents in Courtyard Glen are concerned about a second entrance proposed to the apartments that would allow drivers to cut through their subdivision to avoid traffic on Fairbanks-North Houston, This would convert quiet residential streets to thruways for high volumes of traffic. Posing a danger to neighborhood children, increasing noise levels and decreasing property values.
- The residents of this new development will have a relatively low income and it is very likely that they will need to use public transit. Currently, there are no bus routes on Fairbanks North Houston Road.

Again, I am opposed to this affordable housing community.

Thank you,



Deborah daSilva
Woodland Trails West Subdivision
8219 Old Trail
Houston, TX 77040

To: Robbye Meyer
TDHCA
P.O. Box 13941
Austin, TX 78711-3941

Attn: Robbye Meyer
SOS... SOS... SOS...

My name is Amy Gandara and I'm writing this letter in hopes that you could help our community that consist of several subdivisions that are strongly against the building of **Rolling Creek Apartments. PLEASE DO NOT FUND THIS PROJECT IN OUR COMMUNITY.**

My family bought our first home about 5 years ago. My husband and I moved to this area because it was away from the large apartment complexes. We have a 1st grader at Reed Elementary and a three year old that I stay home with. I love living in our subdivision Court Yard Glen, and **my husband and I are strongly against the building of the Rolling Creek Apartments being built very near our subdivision. Fairbanks North Houston** is congested enough with all of the surrounding subdivisions and adding population to our area would just make it much worse. Reed Elementary is a wonderful school and I know adding more children to it would mean more kids per teacher or a reshuffling of children to other schools. I would hate to have to move my child to another school. **Please do not allow the TDHCA to supply funds to build the Rolling Creek Apartments in our community.** I feel that families move or buy houses to be away from a community of apartments. The building of these apartments would take away from one of these reasons. My family would have to move from this area if the building to these apartments is completed. I hope and pray that "the people's" voice is heard and that we can make a difference by making our concerns heard. The final decision will take place in your city of Austin on November 10th (tentatively).

There are more than plenty of apartments all down Hollister (going towards North Little York) to make up for any addition building of apartments. **Please help.**

Sincerely,
Amy Gandara
7858 Hillbarn Dr.
Houston, TX 77040

October 10th, 2005

Dear Robbye Meyer:

I am writing to express my **extreme opposition** to the planned **Rolling Creek Apartments** in Houston off Fairbanks N. Houston in 77040. My wife and I have only lived in the area for about 6 weeks but are very upset that we didn't know about this project before we closed on our home. We would not have bought in this area if we knew this development was planned. Period. I am sure there are others like me that will avoid this area if these apartments go through.

- Cynosure Developers has a poor history of paying taxes and managing its affairs, and I do not trust them with \$14,000,000 in tax exempt bonds.
- Reed elementary is already overcrowded and the teachers have a tough time dealing with large classes.
- There are no grocery stores or bus lines for miles for the proposed tenants to get food or go to work.
- There is no need for these apartments in the area. There are plenty of vacant apartments in the area that ARE close to shopping, jobs, and public transportation.

Please help keep our neighborhood a nice single-family community where residents feel good about their neighbors and our children can get a good education and the attention they need to excel.

Sincerely,

A handwritten signature in black ink, appearing to read "Simon & Heather Davidson". The signature is written in a cursive style with a long horizontal flourish extending to the right.

Simon & Heather Davidson
7927 Crystal Moon Drive
Houston, TX
77040
832-230-3545

Bobby G. and Paulette L. Woods
8219 Summertree Dr.
Houston, Texas 77040

October 15, 2005

Ms. Robbye Meyer
Multi Family Finance Production Division
and
Ms. Jennifer Joyce
Housing Tax Credit Program
Texas Department of Housing and Community Services (TDHCS)
507 Sabine Street
Austin, TX 78701

RECEIVED
OCT 18 2005
LIHTC

Re: OPPOSITION TO THE AFFORDABLE HOUSING PROJECT
ROLLING CREEK APARTMENTS, 8038 Gatehouse Drive, Houston, TX
Low Interest Tax-Exempt Mortgage Revenue Bonds

Dear Ms. Meyer and Ms. Joyce:

We respectfully submit the following comments in opposition to the proposed issuance of bonds for the Affordable Housing Project entitled "Rolling Creek Apartments" located at 8038 Gatehouse Drive, Houston, Texas:

In our opposition we cite § 2306.0661 Public Hearings of the Texas Department of Housing and Community Affairs wherein it states "(f) The board shall adopt rules governing the topics that may be considered at a public hearing. The rules must require the department to consider the following topics in relation to a proposed housing development:"

(1) the developer market study;

We point out that the developer's market study states that there is a Ruth's Chris Steak House on Hwy. 290 in close proximity to the proposed development. Please note that we have been residents of this area for over thirteen years and there has never been a Ruth's Chris Steak House in the area. In light of this one fact we believe that the developer's market study is flawed not only in this fact but others as well.

(2) the location;

We point out that this location has a landfill within less than one mile from the proposed development. The surrounding residential development is comprised of single family subdivisions and commercial developments and therefore not favorable for a multi-family housing project. Also, Fairbanks-N Houston is now favored as a traffic corridor between Hwy. 290 and Beltway 8, thus creating a traffic flow problem for the residents of the subdivisions already existing. Adding the multi-family development will worsen this problem.

(3) the compliance history of the developer;

We point out that one of the partners of this development has filed for bankruptcy twice since the early 1990's and that the other partner has been delinquent on federal taxes and employer taxes on numerous occasions in the recent past. As taxpaying citizens who comply with the federal laws in the filing and payment of our personal taxes on a timely basis, we are appalled that our government would reward entities who do not have a history of complying with the federal laws and who hide from their debtors by filing for bankruptcy.

(4) the financial feasibility:

We point out that our nation is going through difficult times financially as a result of its role in the Iraqi war and the recent national disasters created by Hurricanes Katrina and Rita. We request that all government agencies more closely scrutinize the disbursement of taxpayer funds. We believe that this development is not a wise investment at this time in this area.

(5) the appropriateness of the development's size and configuration in relation to the housing needs of the community in which the development is located;

We point out that there have been two other multi-housing developments proposed within the past year on Fairbanks-N Houston between Breen and Little York. Those developments have since been withdrawn. Perhaps the developer's market studies were more realistic and therefore resulted in the withdrawal of these developments.

(6) the development's proximity to other low income housing developments;

We point out that there are three other low-income housing developments within a five-mile radius. Please note that prior to Hurricane Katrina; these developments were at 80% occupancy. Therefore the question arises as to the need for this development.

(7) the availability of adequate public facilities and services;

We point out that there are no public libraries, public parks, public transportation, sidewalks, grocery stores, drugstores, hospitals, public health clinics, or other public facilities or services within close proximity to this proposed development.

(8) the anticipated impact on local school districts;

We point out that the proposed development is located in the Cypress-Fairbanks Independent School District. The schools to which this development would be zoned are currently filled over capacity, and likely will be next year even without this development. A development of this size usually produces around 175 new students. Already overburdened educational resources will be stretched even thinner, which affects all students.

(9) zoning and other land use considerations;

We point out that the proposed development will place the surrounding area at a high risk for flooding. The White Oak Bayou watershed does not have any additional spare capacity to handle additional runoff. Even with retention ponds, the conversion of large amounts of green space (23.5 acres) into concrete for a high-density development would worsen the flood situation in the area. If you are

not aware our federal government has paid and is still paying out large sums of taxpayers' monies to compensate landowners in the area who have been flooded at least two times in the last decade. We question the advisability of expending our tax dollars to develop this project which, in all probability, will necessitate more tax dollars to buy out flooded homeowners as a result of this development.

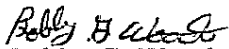
(10) any other topics that the board by rule determines to be appropriate.

We submit that the local community is overwhelmingly and deeply opposed to this development. Residents strongly opposed the first application submitted and oppose this second application. We point out that the first application was withdrawn due to shoddy paperwork and inattention to detail on the part of the builder. Again, we question the paperwork and inattention to detail on the part of the builder. We submit that this builder has not met with the local community on the second application which was submitted on August 18, 2005. The only meetings with the local community were for the first application, which is null and void. If this application is considered separate and apart, should not it have been required that the developer call public meetings for this application? We submit that the proposed development has a proposed address of 8038 Gatehouse Drive. Please be informed that there has been no public notification signage on Gatehouse Drive for this development. Is it not required that the developer place public notification signage on Gatehouse Drive?

In summation, we believe that this development does not support and enhance the local community. This development would have a tremendously negative impact on the community and a negative impact on the quality of life that we currently enjoy.

Thank you for your attention to our concerns. If you would like to discuss any of these matters further, please feel free to contact either of us at 713-849-3551 or 8219 Summertree Drive, Houston, TX 77040. We strongly urge TDHCS's rejection of this application.

Sincerely,


Bobby G. Woods


Paulette L. Woods

cc: Governor Rick Perry
Congressman John Culberson
Senator Jon Lindsay
Senator John Whitmire
Representative Gary Elkins
Commissioner Jerry Eversole
Representative Joe Nixon
Representative Peggy Hamric
Superintendent Dr. David Anthony

Patti J. Morgan
9219 Woodwind Lakes Drive,
Houston, TEXAS 77040

RECEIVED
OCT 18 2005
LHHC

October 14, 2005

Ms. Robbye Meyer
TDHCA, PO Box 13941
Austin, TX 78711-3941

Addressees: Governor Rick Perry, Congressman John Culbertson, Senator Jon Lindsay, Senator John Whitmire, Rep. Gary Elkins, Comm. Jerry Eversole, Supt. Dr. D. Anthony, Rep. Peggy Hamric, Rep. Joe Nixon.

Reference: Proposed Rolling Creek government-subsidized Multi-Family Housing Project in unincorporated Northwest Harris county. Houston postcode 77040. Children eligible for free food in school.

Dear Ms. Meyer,

This follows my letter to you last year. I have lived in the Cypress Fairbanks district of Harris county since 1995, outside the Houston city limits, and I strongly protest the proposed, forced, insertion of a low-income (affordable) multi-family apartment unit into our residential, suburban northwest Harris county neighborhood. No one who invested thousands of hard-earned dollars to buy mortgages 10, 20 years ago, up to the present date, would have done so had the area been labeled a government-subsidized apartment community area. Home values here are \$100s to \$300s. In fact, if it is to be re-labeled in 2005, it's clear we were encouraged to invest financially and socially under false pretenses.

Apartments have their place, and units of every kind can be found in cities worldwide. Apartment dwellers live a more pedestrian-focused life, with stores, jobs, and medical services a few blocks away. Apartment-dwellers don't concern themselves with water and sewage bills, annual invoices from the local school districts to fund teachers' salaries, invoices from water districts, invoices from the state property-taxing authorities, invoices from trash and recycling services. Their commitment to the lifeblood of the area is limited to 12-month periods. When the rent goes up, they may move on. When someone marries, divorces, or a job changes they may move on. When children are born, they move on. When they can't pay the rent, they are evicted.

This *transient lifestyle* contrasts with that of a home buyer who places \$10-\$50,000 of his own money down to buy a house, and pays \$1-2,000 a month for the next 15-30 YEARS in order to establish a family home in one particular community. A private home is a financial and societal investment, reflecting a focus on long-term stability. Homeowners are the middle class on which America depends, and which allows it to be governed in such a way that we are the world's leader. We pay our taxes. Destroy our middle class, and you destroy the fabric of America.

Our northwest suburban Harris county neighborhoods *have nothing to offer*, nor, importantly, can we support not should we be forced to support 'moderate' income, multifamily apartment

projects. We are county, NOT CITY. *We are NOT Houston*, and not provided of any of the following urban, city services. No City Mayor, No Houston Fire Department, No Houston Police Department, No METRO bus or train service, No sidewalks, No pedestrian shopping areas, No major grocery chain closer than two miles away, No hospital closer than three or four miles away, No medical clinic, No Houston Independent School District. The Cy-Fair schools, to which we write checks, already is burdened with almost 50% of students who are eligible for free food. Our homeowners' children aren't eligible, so where are children coming from now? How can our already nationally poor educational standards ever improve?

As Harris county suburban residents we are governed by county commissioners, we have Volunteer Fire Departments, sheriffs, use our own automobiles to get around (work/jobs are far from here); we pay county constables for extra security duties in our neighborhoods, we have Cy-Fair Independent School District which we are required to support through HIGH taxation. We live in the Cypress Fairbanks district, and, if we were incorporated as a city, we would likely be called something like Village of Cypress Fairbanks, Texas, and not even have the post code 'Houston' as part of our address. City status would protect us all from the whims of low-income apartment builders snatching up empty lots. I shall suggest that leaders look into incorporation. *Austin TDHCA and the out-of-town apartment developer have already heard the voice of the people about our need and support for this apartment project, and we said NO.*

Federally-promoted, 'moderate'- income housing forced into our residential, suburban county neighborhood guarantees destabilization. It is the antitheses of the country's time-honored goal of and belief in the American right of individual home ownership.

Apart from all the points emphasized above, we have the expected traffic and flood issues in this low-lying area. Also, there's an abundance of apartments available, as was proven when the City of Houston accepted 1000s of Hurricane Katrina evacuees for short and long-term housing. Many will soon be returning home, including 100s of corporate transferees who temporarily moved to Texas while their New Orleans headquarters offices were being repaired and renovated, and will be followed by many 1000s who'll leave in 16 months or so when their FEMA rent checks run out. *In fact, this very week, the mayor of New Orleans is touring cities urging New Orleans residents/storm evacuees to return home. This will release 100s of units sooner rather than later. The Houston area will have ample units back on the market by 2006.*

Regardless of the government's goals in promoting moderate income multi-family, urban-type dwellings in suburban residential neighborhoods, cities are where people who can't afford homes and need public services need to live. There they have (sometimes) pedestrian areas, public transportation, buses, police department, paid fire department, grocery chains on a corner, metropolitan hospitals and clinics close by. We cannot offer those essentials here in the Cypress Fairbanks district, Northwest suburban Harris county. He must build elsewhere.

After a huge public meeting last year, the builder (and TDHCA) heard all our voices in person. He quickly withdrew his application, regrouped, and is now harassing us again into bending to his will. We will prevail. Our voice, as middle-class Americans and Texans, must be respected. *Please deny the builder government money to to build this unneeded project.*

Sincerely,



Sarah & Brett Smith and Rose Corley
9226 Garrison Point Drive
Houston, TX 77040
713-466-3484

RECEIVED
OCT 13 2005
LIHTC

10/ 8/2005

Dear Robbye Meyer:

We are residents of Terrace Brook, a new development in NW Houston off Fairbanks North Houston and Breen Road. We are in vehement opposition to the Rolling Creek Apartments being built next to our subdivision and across the street from the school that our children will attend. The issue is anticipated to be decided in Austin, on ~~December~~ ^{Nov} 10, 2005.

The financial developers of the project have had questionable financial stability as well as offering apartments to low income (and very low income) families which could have many devastating effects on our neighborhood. We have just purchased our home and would hate for our dream to be shattered. You see, we left Spring Branch because we wanted to have the quality education that Cy Fair can provide with smaller classes and parent involvement. Being in education ourselves, we have seen the decline in Spring Branch's quality education because of the influx of low income apartment residents who have transient attendance and enrollment, who have limited parental involvement and unfortunately reduce the quality in classroom for the other students who attend regularly and are looking for a parent involved, excellent and valuable education.

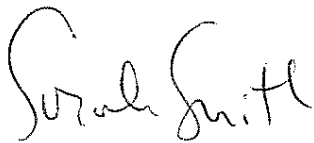
The immediate area has three different housing developers in current construction of new homes, several accommodating lower income families, but they are homes, not apartments which will bring overcrowding of the schools, traffic, stores (of which our area has very few – especially grocery), buses, and

even pose issues in time of emergency, being that flooding is always a concern in our area.

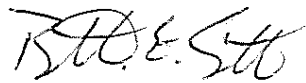
Please consider opposing this development, for the sake of the large number of families already living in the community and the 300+ that are still to move into and/or build in the already existing new developments. Our community will suffer if this development is approved. Please let us know what our family and neighbors can do to support the opposition of the approval of the development of the Rolling Creek Apartments being built.

Thank you for your time; I know it is valuable! We really appreciate all that you do.

Regards,



Sarah Smith



Brett Smith



Rose Corley



**Multifamily Finance Division
Rolling Creek Apartments**

The Department received sixteen (16) of the following opposition letters.

RECEIVED
OCT 28 2005
LEFHC

Robbye Meyer
Texas Department of Housing and Community Services
Multifamily Finance Production Division
507 Sabine Street
Austin Texas, 78701

Dear Ms. Meyer

I am writing to request that the TDHCA Board deny the application of the Rolling Creek Apartments, 8038 Gatehouse Dr., Houston, Harris County, Texas for Tax Exempt Multi Family Bonds and Housing Tax Credits. Our community has voiced a strong opposition to the Rolling Creek Development. I would like to personally express my opposition to the issuance of these Tax Exempt Bonds and Housing Tax Credits for the following reason.

In the past 5 years the area surrounding the proposed apartments has had over \$38 million in flood-related buyouts and over \$111 million has been paid in federal flood insurance claims. Because Harris County Flood Control District requires that all new construction be built 18 inches above the flood plain, the likelihood of more flooding is a great concern. Tax funds are being used to create a situation in which more tax funds will be used to rectify. I believe this would be poor management of tax payer funds.

Please consider this my formal opposition to the issuance of Housing Tax Credits and Tax Exempt Bonds for the Rolling Creek Apartment application and deny this application

Thank you,

Sincerely



ANNE NGO
7907 GATEHOUSE DR
HOUSTON, TX 77040
OCT - 23 - 2005



**Multifamily Finance Division
Rolling Creek Apartments**

The Department received thirty four (34) of the following opposition letters.

Fax Number: 1-512-475-0764

October 22, 2005

Ms. Robbye Meyer, Manager of Multifamily Finance
TEXAS DEPARTMENT OF HOUSING and COMMUNITY AFFAIRS
P. O. Box 13941
Austin, TX 78711-3941

RE: ROLLING CREEK APARTMENTS, 8038 Gatehouse Drive, Houston, TX 77040

Dear Ms. Meyer:

I submit written objection to the building of the Rolling Creek Apartments and request that the TDHCA Board deny the application of the developer for the project. I request that Multifamily Mortgage Revenue Bonds (MRB) and Housing Tax Credits (HTC) be denied for the proposed project. The community has voiced a strong opposition to the Rolling Creek Development. I personally express my opposition to the issuance of MRB and HTC for this project.

In the past five years the area surrounding the proposed apartments has had over \$38 million in flood-related buyouts and over \$111 million has been paid in federal flood insurance claims. The likelihood of worst flooding is increased because Harris County Flood Control requires that all new construction be built 18 inches above the flood plain. I believe this would not benefit the national government and would put a greater stress on the federal budget.

Area schools currently have a greater average than 50% disadvantaged students. The proposed project would further burden the schools with the addition of children living in these apartments. Statistics show these students are usually behind their peers academically, causing teachers to teach below level to all students

This would increase the congested traffic on Fairbanks North Houston. An additional 200 cars leaving for work from Tami Renee at the time children are arriving at school would put greater stress on the transportation of school children getting to school, if not endanger their well-being. There is no public transportation on Fairbanks North Houston and surrounding streets. Fairbanks North Houston is a major thoroughfare without side walks or bike lanes with mostly narrow shoulders, which is already a traffic concern.

The area is serviced by a volunteer fire department. What would happen on a school day if a major apartment fire broke out across the street from Reed Elementary School. Frantic parents along with close by residents would be creating a traffic jam trying to reach their children or their homes to secure family members, pets, and keepsake treasures. The Houston area has already experienced this with the major Woodway Apartment Fire that burned many, many apartments and threatened the surrounding area.

There is no need for more apartments as the Houston Apartment Association reports a 19.9% vacancy rate in the area. Two apartments, both affordable housing communities, are within a distance of 1.5 miles and 2 miles from the proposed building site, and there are two more within the market area. Another development would complete with existing affordable housing apartments, creating an even higher vacancy rate.

I question the financial feasibility of the proposed project with a debt service retirement and the local apartment industry performance of local apartments. Rising utilities rates would increase the financial risk. Houston has not been profitable to many investors of residential multifamily developers. I question the need for additional units with the current planned rental rates as many vacant apartments exist at this rate.

Please consider this my formal opposition to the approval of the application of the above project and the issuance of Housing Tax Credits and Multifamily Mortgage Revenue Bonds.

Sincerely,
Signature: *Wyronnia Howard*
Printed Name: Wyronnia Howard
Address: 8435 E. Ridge dr.
Houston, Texas: Zip: 77040



**Multifamily Finance Division
Rolling Creek Apartments**

The Department received 2,116 signatures on the following petition.

PETITION OPPOSING THE DEVELOPMENT OF ROLLING CREEK APARTMENTS, 8038 GATEHOUSE DR., HOUSTON, TX 77040

Reasons for opposition:

Our schools are already overcrowded and well above the district average of economically disadvantaged students, our area has flooded repeatedly and further development will add to the problem, our area has sufficient affordable housing, there is no public transportation and increased traffic will add to the current congestion on Fairbanks N. Houston Rd..

By signing this petition I state that I agree with the reasons for opposition, I reside at the address stated and I am of legal age.

Printed Name	Signature	Street Address	Zip	Telephone	E-mail Address
RF Steven Whitney	<i>Steven Whitney</i>	8302 Partlow Ln	77040	713-899-0741	
RF Joann Whitard	<i>Joann Whitard</i>	8307 Partlow Ln	77040	"	
RF Sandy Serrato	<i>Sandy Serrato</i>	8307 Partlow Lane	77040	713 466-5321	sandy_serrato@kindermorgan.com
RF Rudy Serrato	<i>Rudy Serrato</i>	8307 Partlow Lane	77040	713 466-5321	Rudy.serrato@shell.com
RF Ryan Serrato	<i>Ryan Serrato</i>	8307 PARTLOW LANE	77040	713 466-5321	
RF J.D. Jones	<i>J.D. Jones</i>	8311 Partlow Ln	77040	713-466-1195	
RF SWENDY JONES	<i>Swendy Jones</i>	"	"	"	
RF Susan Maddox	<i>Susan Maddox</i>	8323 Partlow	77040	713-896-1607	ssmaddox@houston.rr.com
RF Lucy Craft	<i>Lucy Craft</i>	8331 Partlow	77040	713-931-9442	
RF Whit Kelly	<i>Whit Kelly</i>	8326 Partlow Ln.	77040	713-896-0163	mkelly@houston.rr.com
RF Emma G. Baum	<i>Emma G. Baum</i>	9214 Fish Ct.	77040	713-896-7696	em7250@comcast.net
RF Matt Baum	<i>Matt Baum</i>	"	"	"	hvelem@comcast.net
RF HASSAN E. VELENK	<i>Hassan E. Velenk</i>	"	"	"	
RF Dennis Kirk	<i>Dennis Kirk</i>	9203 Tisha St.	77040	713-202-3949	
RF Cindy Kirk	<i>Cindy Kirk</i>	9203 TISHA CT.	"	713 466 9314	

RF=Rolling Fork CG=Courtyard Glen MWL=Woodwind Lakes WT=Woodland Trails CL=Carriage Lane LC=Laurel Creek TB=Terrace Brook

**Rolling Creek Apartments
Response to Neighborhood Concerns for the TDHCA
October 24, 2005**

The purpose of this statement is to address concerns raised by members of the community and to show there is a reasonable basis why we have continued with this application in spite of community and public official opposition.

Site Selection

There have been numerous questions about why we chose this particular neighborhood – accusations that this is a great idea in the wrong place. Besides looking for a site with excellent amenities – great neighborhoods, proximity to schools, accessible to social, recreational, educational, commercial, and health facilities – we relied on the requirements adopted and promulgated by the IRS. Among other relevant provisions, 24 C.F.R. § 941.202 provides guidance on site and neighborhood standards. Specifically, the code provides states that:

The site for new construction projects must not be located in an area of minority concentration; that the site must promote greater choice of housing opportunities and avoid undue concentration of assisted persons in areas containing a high proportion of low-income persons...

The neighborhood must not be one which is seriously detrimental to family life or in which substandard dwellings or other undesirable elements predominate...

The housing must be accessible to social, recreational, educational, commercial, and health facilities and services, and other municipal facilities and service that are at least equivalent to those typically found in neighborhoods consisting largely of similar unassisted standard housing.

We believe the site we chose complies with these guidelines.

Common Misconceptions

Common misconceptions that create fears or community concerns can generally be classified into two categories: capacity issues or “these people” issues. Furthermore, these issues are usually expressed as tenant, traffic, flooding, or school issues.

Capacity Issues

We have explained to the community the ranges of income that will live in the community - in terms of both maximum and anticipated minimum family incomes. So, to make tenant related capacity arguments, one would have to believe that this group of the population does not exist in sufficient numbers to make the proposed community

viable, or that if they did, they would choose not to live in the proposed community. Other capacity issues are traffic, flooding or school related.

Following are general statements expressed by the community regarding the proposed community in regards to capacity issues (our answer follows each statement):

Tenants

1. There's no market for property – *Answer: Our market study demonstrates a need for the type of property in the community.*
2. Occupancy is low at the existing communities – *Answer: Our market study addresses the occupancy in the primary market area and shows it to be strong.*
3. These rents aren't really cheap – *Answer: Exactly, they're affordable. This is not Section 8 housing or housing targeting people living on welfare.*
4. Growth and development is out of hand; people moved to the community to get away from big Houston traffic and congestion – and now it's here. *Answer: We did not create the current market demand in the community. Our community does not add statistically significant growth to the community. We are not adding to the communities current challenges, we are answering a need.*

Traffic

1. Traffic is horrible. *Answer: We agree. We're not the cause, nor will we contribute significantly to the traffic situation. Based on an independent market study (a copy of which is attached), 1999 traffic flow over a 24 hour period averaged 27,614 cars. At an estimated average of 1.25 cars per unit, the proposed community would add slightly more than 1% to the Fairbanks North Houston traffic flow. Due to the existing high traffic counts on Fairbanks North Houston Road, the impact of the proposed subject property is anticipated to be negligible. The current traffic count is likely significantly higher than 1999 – meaning, the 1% additional impact is likely overstated.*
2. Everyone will drive through the adjacent communities. *Answer: This was a legitimate concern, so we found a solution. The city required us to connect the streets between the north and south neighborhoods. We tried our best to appeal this requirement, but did not prevail. We have provided direct access to the community via the Tami Renee intersection. The stop light will be converted into a 4-way light. Common sense tells us that people will take the easiest and most direct route out of their neighborhood.*

Flooding

1. Many people complain passionately about current flooding conditions in their community. *Answer: We're sure they are correct. However, we're not the cause. So the real concern is if we will contribute to their problem. It's the responsibility of the Houston Flood Control District and other departments to create designs to mitigate potential flooding problems in new developments; they*

are always strengthening their requirements to protect both the proposed and the adjacent communities. We are following all requirements given to us. We are building a significant detention pond for this site.

Schools

1. The schools are overcrowded. *Answer: School districts monitor growth and plan their year accordingly. We will be full in about 2 years and Cy-Fair ISD will plan accordingly. We had an independent study prepared on the impact to the local schools. The report concludes that based on current conditions in the ISD and the projected students which the proposed Rolling Creek Apartments would likely generate; it does not appear that the community will place an undue hardship on the capacity of Cy-Fair ISD. We will also contribute significantly to the overall tax base – at current property tax rates, the estimates are \$186,658 per year - \$5.6m over the term of the rent restrictions.*

“These People” Issues

The following statements, which tend to be prejudicial in nature, from a social class perspective, generally are based on a misconception of the target population who will live in the proposed community. Concerned citizens would have to believe that families in the income range we describe are statistically more prone to the suggested social problems, or one would have to believe that we have misrepresented the target tenant – that we are actually targeting a different tenant – one with no income.

As the market study supports the need for this community, we can only address the concerns under the assumption that the community opposition generally believes that people in the target income range are more prone to violence, drug use, criminal activity, and that their children will be less intelligent and more prone to cause problems in the school system.

Following are general statements expressed by the community regarding the proposed community in regards to “these people” issues (our answer follows each statement):

Tenants

1. These people are criminals. *Answer – this statement is prejudicial in nature and can't be responded to except to say that there is no evidence to show that people who make the income levels we describe are statistically more prone to crime, drug use, violence or other criminal activity than other citizens in the surrounding neighborhoods.*
2. Everyone is going to have a voucher. *Answer: This is not a statistically valid argument, as the market study indicates. While we will not discriminate against people who present housing vouchers, this is not anticipated to be a statistically significant portion of our families.*

3. The people we describe who are actually in this income level wouldn't lower themselves to living in an affordable community. *Answer: The market proves itself. People will seek out a quality environment to live and for their children to attend schools. They will be happy to find a quality environment with rents below market rents. It's hard to argue that people don't look for the best use of their hard earned dollars.*
4. These people will impact property values. *Answer: We have directed concerned citizens to the TDHCA web site and its numerous articles on the subject – showing that there is no evidence that these communities impact property values one way or the other.*

Traffic

1. There is no public transportation – doesn't the TDHCA want us near public transportation? There are points in the application for public transportation. *Answer: The application is a general application for the entire program. It is also used for developers targeting populations in lower income levels than ours. The target family we have chosen generally has an auto. According to our independent traffic study, the estimated number of automobiles is projected at 1.25 per unit, making it obvious that this target population is not relying primarily on public transportation.*

Schools

1. We already have a bunch of problem poor children in our schools – our teachers already spend a disproportionate amount of time helping problem children – the number of children using food and other programs is too high. *Answer: If this is in fact true, we did not create this situation. It is a reflection of the make up of the community. There is no statistical evidence to show that the intelligence of children, or their propensity to be "problem children" is proportional to the income their parents make – especially, when you look at the income levels of the families that will live in our proposed community.*

Community Opposition

The final question we get from the community and some of their elected officials is simply – why don't we quit when it appears that a vocal portion of the community is against this proposed neighborhood?

Answer: We are filling a need. Filling a need is not about majority rule. Our country's freedoms are not based on reacting to the unfounded fears of the majority. We are a country based on the protection of the minority and on the protection of the individual. We will not get caught up, nor do we believe it's in the best interest of society or the community to follow a group mentality.

If we were a society based on following the fears of the majority – we would still be stuck in the 50's with respect to race issues, women's rights, etc.

Additionally, just because members of the community express unfounded and baseless fears with passion and emotion – doesn't make them any more real or factual.

Summary

This is not about what some vocal citizens want to be built or not built in their neighborhood; it's not about whom they want to live near them; this is about providing housing to the people they invite to work in and around their community.

We do have compassion for the fears expressed by the community. Do we believe the community is prejudiced? No. We believe some members of the community have succumbed to peer-pressure; that they have allowed themselves to be bullied and influenced by messages of fear. What message do we show our children when we show them that we can be bullied, that we can crumble under peer pressure and that we live in a life of fear – fear of the “poor” man?

We will continue to present this proposed community for the benefit of the working families we have targeted.

**APPRAISAL CONSULTING ASSIGNMENT
C05-2160-B**

**INVOLVING THE EFFECT OF THE PROPOSED
ROLLING CREEK APARTMENTS,
A PROPOSED 248-UNIT APARTMENT DEVELOPMENT
LOCATED ON THE EAST SIDE OF FAIRBANKS NORTH HOUSTON ROAD, SOUTH
OF TERRACE BROOK DRIVE, HARRIS COUNTY, TEXAS, ON THE CYPRESS
FAIRBANKS INDEPENDENT SCHOOL DISTRICT
AND ITS PROJECTED TAX REVENUES
AND THE EFFECT ON THE FRONTING ROADWAY**

FOR

**MR. MARK BOWER
CYNOSURE DEVELOPMENT, LLC
5430 HOLLY ROAD, SUITE 8
CORPUS CHRISTI, TEXAS 78411**

BY

**PATRICK O'CONNOR & ASSOCIATES, L.P.
D.B.A. O'CONNOR & ASSOCIATES
2200 NORTH LOOP WEST, SUITE 200
HOUSTON, TEXAS, 77018**

**EFFECTIVE DATE OF THE MARKET ANALYSIS
OCTOBER 10, 2005**

**DATE OF THE REPORT
OCTOBER 24, 2005**

October 24, 2005

Mr. Mark Bower
Cynosure Development, LLC
5430 Holly Road, Suite 8
Corpus Christi, Texas 78411

Reference: **The Rolling Creek Apartments:** A proposed 248-unit Housing Tax Credit apartment project, located on the east side of Fairbanks North Houston Road, south of Terrace Brook Drive, in Harris County, Texas.

Dear Mr. Bower:

At your request, we have completed an appraisal consulting assignment for the purpose of analyzing the potential effect of the above-referenced property on the Cypress Fairbanks Independent School District and projection the estimated tax revenue the proposed subject property would likely generate for the taxing entities; as well as the effect of the proposed development on the fronting roadway. The effective date of the study is October 10, 2005. The date of the report is October 24, 2005.

The analyses provided herein are subject to the assumptions and contingent and limiting conditions contained within both the body of this report and the addenda section.

No other persons provided significant real property appraisal consulting assistance in the preparation of the market analysis.

Mr. Mark Bower
Cynosure Development, LLC
October 24, 2005
Page 2

We certify that we have no interest, present or proposed, in the subject property, that the conclusion contained herein has been reached after a careful study, investigation, analysis, and interpretation of the pertinent data, and that our fee is in no way contingent upon the conclusion. We are neither part of the development team, owner of the subject property, nor affiliated with any member of the development team engaged in the development of the property. This market analysis is prepared subject to our current assumptions and limiting conditions. Your attention is directed to the following report and accompanying data, which form, in part, the basis of our conclusions.

Respectfully submitted,

PATRICK O'CONNOR & ASSOCIATES, LP
d.b.a. O'CONNOR & ASSOCIATES

Robert O. Coe, II
State Certified General Real Estate Appraiser
TX-1333157-G

W. F. Trotter, Jr, MAI
State Certified General Real Estate Appraiser
TX-1322606-G

ASSUMPTIONS AND LIMITING CONDITIONS

This report is subject to the following assumptions and limiting conditions:

- (1) No survey of the subject property was undertaken and the appraiser(s) assume no responsibility associated with such matters.
- (2) The report conclusion is based on responsible ownership and competent management. The subject property is assumed to be free and clear of all liens, except as may be otherwise herein described. No responsibility is assumed by the appraiser(s) for matters legal in character, nor is any opinion on the title rendered, which is assumed to be good and marketable.
- (3) The information contained herein has been gathered from sources deemed to be reliable, but the appraiser(s) assume no responsibility for its accuracy. Correctness of estimates, opinions, dimensions, sketches and other exhibits which have been furnished and have been used in this report are not guaranteed.
- (4) The report conclusion rendered herein is considered reliable and valid only as of the date of the assignment, due to rapid changes in the external factors that can significantly affect the property value.
- (5) Any leases, agreements or other written or verbal representations and/or communications and information received by the appraiser(s) have been reasonably relied upon in good faith but have not been analyzed for their legal implications. We urge and caution the user of this report to obtain legal counsel of his/her own choice to review the legal and factual matters, and to verify and analyze the underlying facts and merits of any investment decision in a reasonably prudent manner.
- (6) Appraiser(s) assume no responsibility for any hidden agreements known as "side letters", which may or may not exist relative to this property, which have not been made known to us, unless specifically acknowledged within this report.
- (7) This report is to be used in whole, and not in part. Any separate valuation for land and improvements shall not be used in conjunction with any other appraisal and is invalid if so used. Possession of this report or any copy thereof does not carry with it the right of publication nor may the same be used for any purpose by anyone but the client without the previous written consent of the appraiser(s), and in any event, only in its entirety.
- (8) The appraiser(s), by reason of this report, are not required to give testimony in court with reference to the property appraised unless notice and proper arrangements have been previously made therefore.

- (9) Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales or other media without prior written consent and approval of the author.
- (10) No subsoil data or analysis based on engineering core borings or other tests were furnished to us. We have assumed that there are no subsoil defects present that would impair development of the land to its maximum permitted use, or would render it more or less valuable. No responsibility is assumed for engineering which might be required to discover such factors.
- (11) The construction and physical condition of the improvements described herein are based on plans and drawings provided by the applicant. No liability is assumed by the appraiser(s) for the soundness of structural members since no engineering tests were conducted. No liability is assumed for the condition or adequacy of mechanical equipment, plumbing or electrical components. No responsibility is assumed for engineering which might be required to discover such factors. We urge the user of this report to retain an expert in this field.
- (12) Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated byphenyls, petroleum leakage, or agricultural chemicals, which may or may not be present in or on the property, or other environmental conditions were not called to the attention of the appraiser(s) nor did the appraiser(s) become aware of such during the appraiser(s) visit. The appraiser(s) have no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser(s), however, are not qualified to test such substances or conditions. If the presence of such substances as asbestos, urea formaldehyde, foam insulation or other hazardous substance or environmental conditions may affect the value of the property, the conclusion is predicated on the assumption that there is no such condition on or in the property or in such proximity thereto as to cause a loss in value. No responsibility is assumed for any such conditions, nor for any expertise or engineering knowledge required to detect or discover them. We urge the user of this report to retain an expert in the field of environmental impacts on real estate if so desired.
- (13) The projections of income, expenses, terminal values or future sales prices are not predictions of the future, rather, they are the best estimate of current market thinking of what future trends will be. No warranty or representation is made that these projections will materialize. The real estate market is constantly changing. It is not the task of the appraiser(s) to estimate the conditions of a future real estate market, but rather to reflect what the investment community envisions for the future, and upon what assumptions of the future investment decisions are based.
- (14) The client or user of this report agrees to notify the appraiser(s) of any error, omission or inaccurate data contained in the report within 15 days of receipt, and return the report and all copies thereof to the appraiser(s) for correction prior to any use.

- (15) The acceptance of this report, and its subsequent use by the client or any other party in any manner whatsoever for any purpose, is acknowledgment by the user that the report has been read and understood, and specifically agrees that the data and analyses, to their knowledge, are correct and acceptable.
- (16) The assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan.
- (17) We have not made a specific compliance survey to determine if the subject property is in compliance with the American Disabilities Act (ADA). It is possible that compliance survey of the subject property, together with a detailed analysis of the requirements of the ADA could reveal that the subject property is not in compliance with the Act. If so, this could have a negative effect upon the value of the subject property. Since we do not have any direct evidence relating to this issue, we did not consider possible noncompliance with the requirements of the ADA in analyzing the proposed subject property.

PURPOSE OF APPRAISAL CONSULTING ASSIGNMENT

The purpose of this assignment is to analyze the proposed subject property's affect on the Cypress Fairbanks Independent School District and to project the likely tax revenues it would generate for the taxing entities; as well as analyzing the effect on the fronting roadway.

Definitions

The following applicable definitions are abstracted from The Appraisal of Real Estate, Twelfth Edition, by The Appraisal Institute.

Appraisal Consulting

"The act or process of developing an analysis, recommendation, or opinion to solve a problem, where an opinion of value is a component of the analysis leading to the assignment results.

SCOPE OF APPRAISAL CONSULTING ASSIGNMENT

Scope of Work

The scope of work for this appraisal consulting assignment included 1) interviewing leasing agents and managers of existing HTC complexes in or near the subject's market area to estimate the number of school age children the proposed subject would likely generate; 2) interviewing personnel from the school district to ascertain the existing enrollment, capacity, and future building plans; 3) analyzing the above-mentioned data to determine the effect of the proposed subject on the Cypress-Fairbanks Independent School District; 4) obtained information on the current assessed value of comparable Tax Credit complexes in or near the subject's market area; 5) analyzed the above-mentioned data to project the assessed value for the proposed subject and the potential tax revenue it would likely generate; 6) interviewed personnel from the Texas Highway Department and local governments to obtain current traffic counts and proposed future roadway expansions; and 7) analyzed the data described in #6 to determine the likely effect of the proposed subject property on the fronting roadway.

Use of the Assignment

The use of this assignment is understood to be for decision-making purposes of the client. The client, Mr. Mark Bower of Cynosure Development intends to use the report in his planning and development of Housing Tax Credit apartment complex, Rolling Creek Apartments. The problem to be solved is project the likely assessed value for the proposed subject and the tax revenues it would generate, analyzed the effect the proposed subject would have on the Cypress-Fairbanks ISD and on the fronting roadway.

Development and Reporting Process of the Assignment

Market data was obtained from sources deemed to be reliable, including, but not limited to, on-site personnel. This report fully discusses all pertinent data, descriptions, and discussions germane to the subject of this report. A copy of this report and the data included herein have been retained in our files.

Effective Date of the Assignment

The descriptions, analyses, and conclusions of this report are applicable as of October 10, 2005.

Date of the Report

The preparation of this report was completed on October 24, 2005.

Data Sources

O'Connor & Associates Apartment Data Program, relied upon by leading brokers, investors, and developers for third-party apartment information for the region, was consulted for apartment statistics. Comparable property assessed values and current tax rates were obtained from the Harris County Appraisal District's website. Traffic counts were obtained from governmental sources.

AD VALOREM PROPERTY TAXES

The subject property is a portion of the following account number by the Harris County Appraisal District: 042-040-000-0033. The taxing authorities for the subject are delineated below, along with the applicable 2004 tax rates for the taxing jurisdictions.

<u>Jurisdiction</u>	<u>2004 Tax Rate</u>
Cypress-Fairbanks Independent School District	\$1.790000
Harris County	\$0.646270
Rolling Fork PUD	\$0.400000
N. Harris Co. College District	\$0.114500
HC ESD District 9	\$0.059850
Total	\$3.010620

The Harris County Appraisal District has a 2004 assessed value for the parent tract (23.50 acres) of the subject property of \$549,900.

In order to estimate the tax liability of the subject property, the assessed values of other HTC projects were researched. The following are HTC properties in or near the subject PMA, and their assessed values. The Park @ Woodwind Lakes are located at 14333 Philippine, and are currently assessed at \$6,595,500, or \$45,802 per unit. Sugar Creek Apartments are located at 11501 West Road, and are currently assessed at \$7,314,527 or ±\$30,477 per unit. The Saddlewood Apartments are located at 9955 Bammel North Houston Road, and are currently assessed at \$6,550,000, or ±\$34,115 per unit. The Park @ Fallbrook Apartments are located at 10155 Bammel North Houston, and are currently assessed at \$9,500,000, or \$33,929 per unit. Other newer HTC projects in the Houston area are assessed between \$20,000 and \$40,000 per unit.

For the purposes of this analysis, we estimate the subject assessed value will be approximately \$25,000 per unit, or \$6,200,000 on an "Restricted" basis. Based on the subject's current tax rate of \$3.0106 per \$100 of assessed value we anticipated the real estate tax burden will be approximately \$186,658 on a "Restricted" basis.

Over the 30-year term of the rent restrictions, the proposed subject property would generate tax revenues of \$5,599,783 based on the projected assessed value and the current tax rates.

The following table depicts the 30-year projected revenues to the various taxing entities:

Jurisdiction	Tax Rate	30-Year Revenue
Cy-Fair ISD	1.79000	\$3,329,400
Harris County	0.64627	\$1,202,062
Rolling Fork PUD	0.40000	\$744,000
N. Harris Co. College District	0.11450	\$212,970
HC ESD District 9	0.05985	\$111,321
TOTAL	3.01062	\$5,599,783

Cypress-Fairbanks ISD Analysis

The subject site is located on the east side of Fairbanks North Houston Road, south of Terrace Brook Drive. Students in the proposed subject would attend the following schools:

	School	Current Enrollment	% of Capacity	Available
Elementary	Frazier Elementary	897	0.975	23
Middle School	Dean Middle	1,365	0.903333	146
High School	Jersey Village High	3,115	1.038333	-115

We surveyed the following HTC complexes in or near the subject area to estimate the number of students the subject development might contain

Complex	Units	Estimated Students	Students/Unit
Arbor Oaks	298	265	0.88926
Copper Tree	324	125	0.38580
Fountains @ Tidwell	188	75	0.39894
Park @ Fallbrook	280	100	0.35714
Park Lane	325	225	0.69231
Sterling Grove	346	350	1.01156
Sugar Creek	240	100	0.41667
Tidwell Estates	132	250	1.89394
Woodglen Village	250	400	1.60000
Average	265	210	0.84951

The Danter Company reported from a survey of HTC properties that the average HTC unit generates 0.78 student. To be conservative, we have utilized the higher ratio of 0.85 students per unit. Given the subject's 248 units, this would equate to approximately 211 students.

The Cy-Fair ISD reported the following average percentage breakdown of students

Elementary	49.81%
Middle School	21.77%
High School	28.42%

Utilizing the percentages above would result in the proposed Rolling Creek Apartments generating the following students

Frazier Elementary	105
Dean Middle	46
Jersey Village High School	60

The following table depicts the existing capacity in those school affected by the proposed Rolling Creek Apartments, and the projected students generated by the proposed subject.

	Est. Students from Subject	Existing Capacity
Frazier Creek Elementary	105	23
Dean Middle	46	146
Jersey Village High School	60	-115

According to the Cy-Fair planning office, Cypress Woods High School will be on-line for the 2006-2007 school year. Administration of Cy-Fair ISD reported that if classes start to fill, portable buildings are added. It is anticipated that as the five schools come on-line next year, as well as 12 other new schools which are already planned, redistricting will occur to bring those facility which are over-capacity back into a most stable level.

Based on the current conditions in the ISD and the projected students which the proposed Rolling Creek Apartments would likely generate, it does not appears that the subject development would place an undue hardship of the capacity of the Cy-Fair ISD.

TRAFFIC STUDY

The following table depicts information regarding the roadway which the proposed subject property will front, including the most current traffic counts available, proposed construction, existing configuration, and surrounding development:

FAIRBANKS NORTH HOUSTON ROAD, SOUTH OF Terrace Brook Drive		
Traffic Flow/24 Hr.	27,614 cars	Fairbanks North Houston Rd.
Street Configuration	2 lanes in each direction with left turn lane, divided roadway with concrete curbs and gutters	
Proposed Construction	No construction currently planned. Fairbanks North Houston Road was expanded 3-to-4 years ago to its current configuration.	
Surrounding Development	Commercial development, church, new single-family residential subdivision to the north of the proposed subject, and vacant land.	

At an estimated average of 1.25 cars per units, the proposed subject would add only slightly over 1% to the existing traffic on Fairbanks North Houston. Additionally, based on our experience, a significant percentage of tenants in HTC properties in the Greater Houston Area do not work in typical business hour jobs. They tend to have a higher percentage in the following occupations: Restaurant workers, retail clerks, teachers, police and firemen, nurses.

CONCLUSIONS:

Due to the existing high traffic counts on Fairbanks North Houston Road, the impact of the proposed subject property is anticipated to be negligible.

Certification of Appraisal Consulting Assignment

We certify that, to the best of my knowledge and belief, ...

- (1) The statements of fact contained in this report are true and correct.
- (2) The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions conclusions, and recommendations.
- (3) We have no present or prospective interest in the property that is the subject of this report, and we have no personal interest or bias with respect to the parties involved.
- (4) We have no bias with respect to any property that is the subject of this report or to the parties involved with this assignment.
- (5) Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- (F) Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- (7) Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics of the Appraisal Institute, the Standards of Professional Appraisal Practice of the Appraisal Institute, and USPAP.
- (8) Robert O. Coe, II has visited the subject site. W. F. Trotter, Jr. has not viewed the subject site.
- (9) No one provided significant real property appraisal or appraisal consulting assistance to the person signing this certification.
- (10) W. F. Trotter, Jr. is an MAI Member of the Appraisal Institute and has completed the continuing education program of the Appraisal Institute.

Robert O. Coe, II
State Certified General Real Estate Appraiser
TX-1333157-G

W. F. Trotter, Jr, MAI
State Certified General Real Estate Appraiser
TX-1322606-G

EXHIBITS

Enrollment Information

CYPRSS FAIRBANKS INDEPENDENT SCHOOL DISTRICT

9/15/05

Elementary Schools		Middle Schools		High Schools	
Adam	907	Aragon	1316	CyFair	3812
Ault	885	Arnold	1267	Cypress Creek	2867
Bane	949	Bleyl	1450	Cypress Falls	3451
Bang	943	Campbell	1448	Cypress Ridge	3516
Birkes	1345	Cook	1423	Cypress Springs	4014
Copeland	1006	Dean	1365	Jersey Village	3115
Danish	1035	Goodson	1287	Langham Creek	3404
Duryea	1386	Hamilton	832	Windfern	233
Emmott	880	Kahla	1352		
Farney	1149	Labay	1397		
Fiest	889	Spillane	1290		
Francone	816	Thornton	1609		
Frazier	897	Truitt	1384		
Gleason	944	Watkins	1274		
Hairgrove	965				
Hamilton	832				
Hancock	877				
Holbrook	843				
Holmsley	1009				
Home	1012				
Jowell	1160				
Keith	1072				
Kirk	895				
Lamkin	1189				
Lee	984				
Lieder	803				
Lowery	880				
Matzke	983				
Metcalf	1202				
Millsap	972				
Moore	942				
Owens	981				
Post	949				

General Information - Enrollment Information

Reed	975
Robison	1306
Sampson	1307
Sheridan	1107
Tipps	1162
Walker	1463
Willbern	984
Wilson	940
Yeager	950

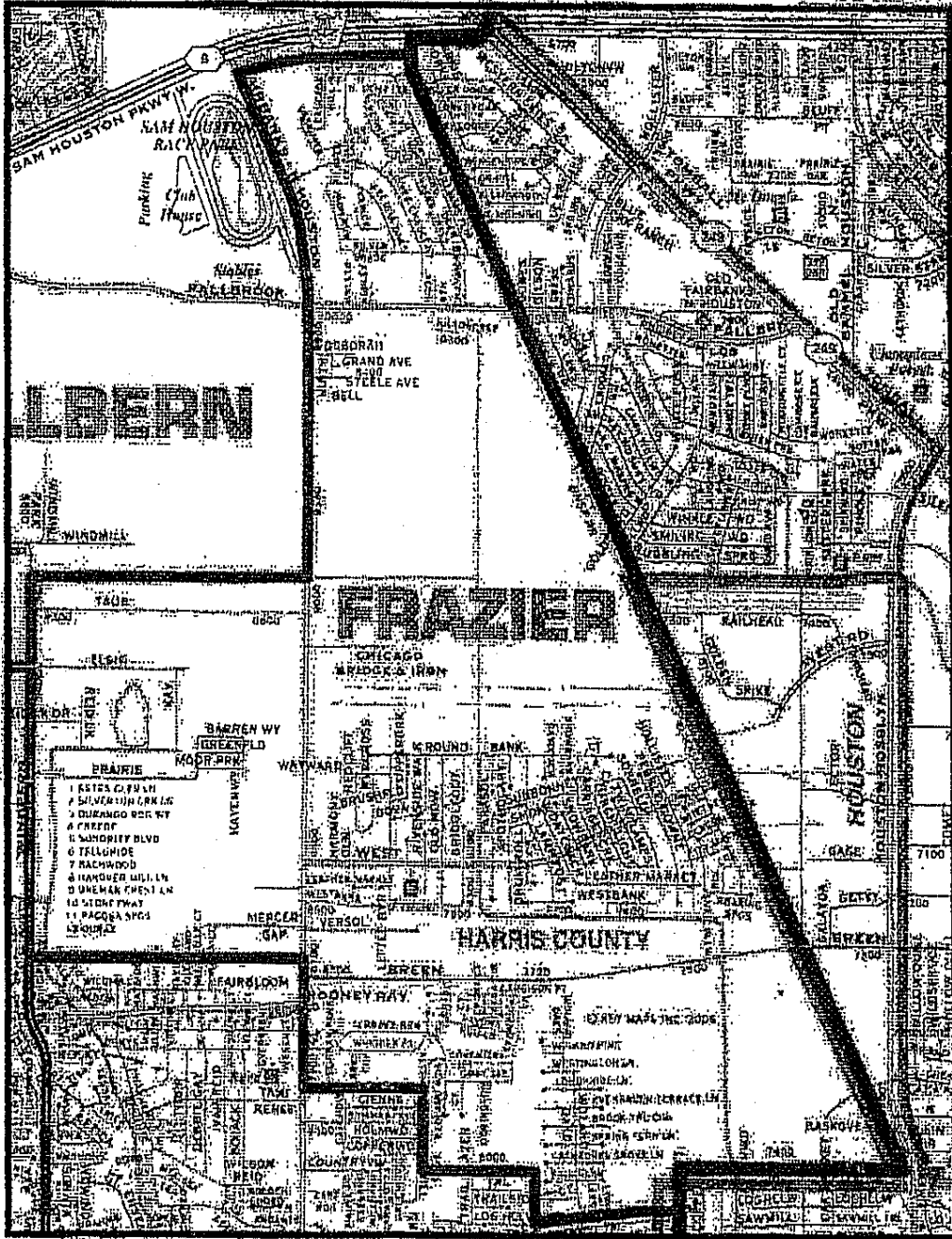
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[Departments](#) | [Human Resources](#) | [News & Media](#) | [Safe Schools](#)

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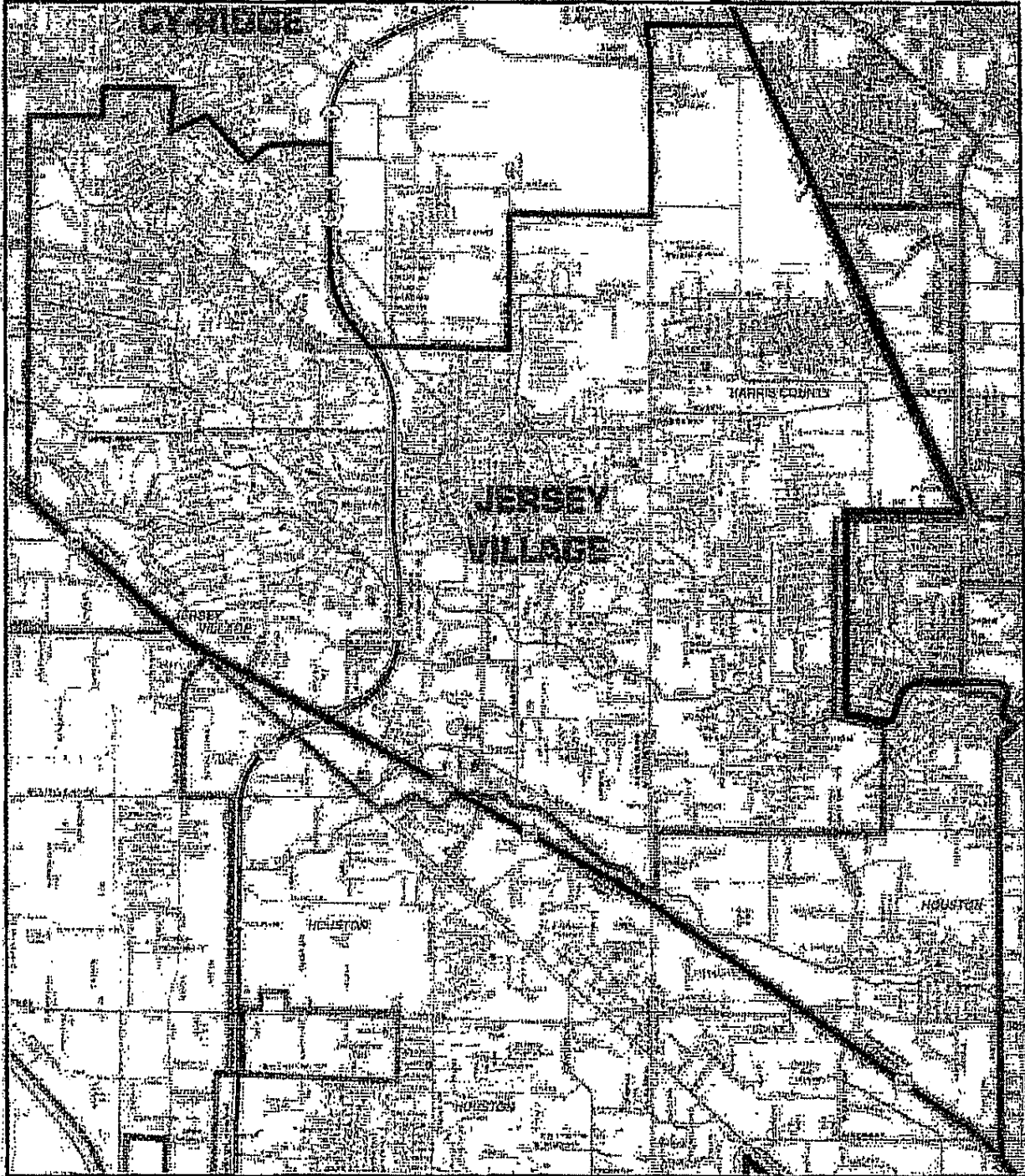
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FRAZIER ELEMENTARY



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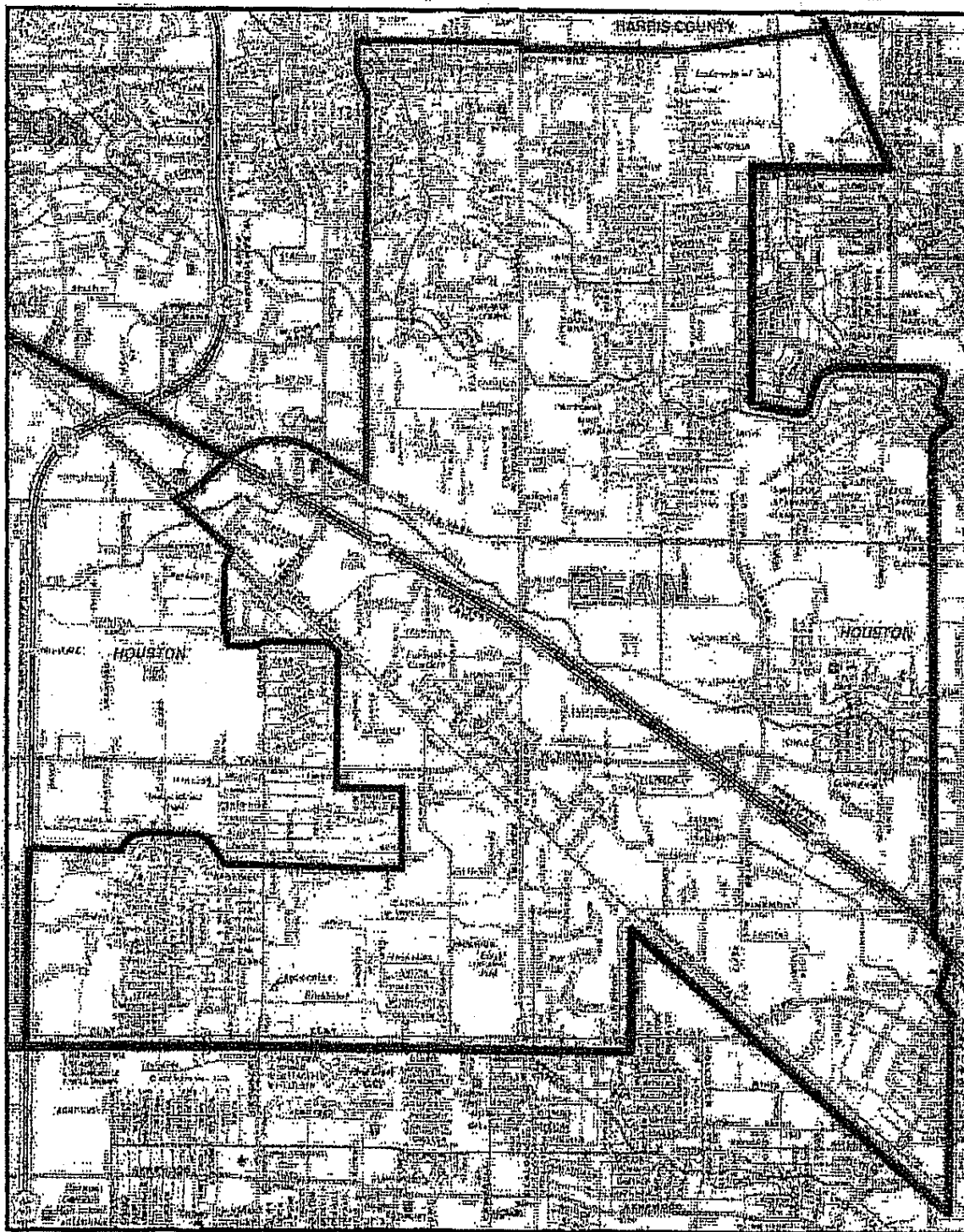




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DEAN MIDDLE SCHOOL



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2005 TEA Ratings for Cy-Fair Schools

EXEMPLARY	RECOGNIZED	ACCEPTABLE
<p><i>Elementary</i></p> <hr/> <p>Ault Copeland Hamilton Sampson</p>	<p><i>Elementary</i></p> <hr/> <p>Adam Bang Birkes Emmolt Farney Fiest Hairgrove Hancock Holmsley Keith Kirk Lieder Lowery Matzka Millsap Moore Robison Wilson Yeager</p> <p><i>Middle</i></p> <hr/> <p>Aragon Goodson Hamilton Labay</p>	<p><i>Elementary</i></p> <hr/> <p>Bane Duryea Francone Frazier Gleason Holbrook Home Jowell Lamkin Metcalf Owens Post Reed Sheridan Tippis Walker Willbern</p> <p><i>Middle</i></p> <hr/> <p>Arnold Bleyl Campbell Cook Dean Thornton Truitt Watkins</p> <p><i>High</i></p> <hr/> <p>Cy-Fair Cypress Creek Cypress Falls Cypress Ridge Cypress Springs Jersey Village Langham Creek Windfern (AEA)</p>

Date of Count	Direction	24-Hour Volume	Count Location Description	Key Map Index
4/8/1998	NB/SB	35,570	FAIRBANKS NORTH HOUSTON ROAD from WEST LITTLE YORK ROAD to WHITE OAK BAYOU	410T
9/17/1993	NB/SB	19,044	FAIRBANKS NORTH HOUSTON ROAD from GREEN ROAD to WEST ROAD	410G
9/21/1993	NB/SB	12,854	FAIRBANKS NORTH HOUSTON ROAD from WEST ROAD to TAUB ROAD	410G
9/21/1993	NB/SB	12,208	FAIRBANKS NORTH HOUSTON ROAD from TAUB ROAD to FALLBROOK DRIVE	370Y
1/4/2000	EB/WB	25,858	FAIRMONT PARKWAY from PRESTON to BELTWAY 8 EAST	577G
9/15/1998	EB/WB	40,833	FAIRMONT PARKWAY from BELTWAY 8 EAST to RED BLUFF ROAD	578B
10/10/1991	EB/WB	27,700	FAIRMONT PARKWAY from RED BLUFF ROAD to CUNNINGHAM (SAN JACINTO COLLEGE)	576F
1/3/1/1997	EB/WB	23,661	FAIRMONT PARKWAY from CUNNINGHAM (SAN JACINTO COLLEGE) to UNDERWOOD ROAD	578H
5/18/1999	EB/WB	33,906	FAIRMONT PARKWAY from UNDERWOOD ROAD to BAY AREA BOULEVARD	578G
10/20/1996	EB/WB	18,298	FAIRMONT PARKWAY from BAY AREA BOULEVARD to S.P.R.R. (IH 146)	579H
9/28/1995	EB/WB	17,584	FAIRMONT PARKWAY (WEST "J" OR WEST CARDIFF) from SH 146 to BROADWAY	580E
10/17/1991	EB/WB	5,575	FAIRMONT PARKWAY (WEST "J" OR WEST CARDIFF) from BROADWAY to SYLVAN BEACH ROAD	579H
7/18/1992	EB/WB	5,273	FALLBROOK DRIVE from FM 1960 to JONES ROAD	369X
7/18/1992	EB/WB	10,825	FALLBROOK DRIVE from JONES ROAD to PERRY ROAD	369X
7/18/1992	EB/WB	13,868	FALLBROOK DRIVE from PERRY ROAD to BELTWAY 8 (SAM HOUSTON TOLLWAY)	369Z
2/10/1997	EB/WB	5,871	FALLBROOK DRIVE from BELTWAY 8 (SAM HOUSTON PARKWAY) to WINDFERN ROAD	370W
2/27/1998	EB/WB	10,551	FALLBROOK DRIVE from FAIRBANKS NORTH HOUSTON ROAD to FM 249	370Z
1/14/1992	NB/SB	3,177	FALLING CREEK DRIVE from FM 1960 to HIGH PINES	331T
1/20/1998	EB/WB	4,519	FARRELL ROAD from HARDY STREET to ALDINE WESTFIELD ROAD	333X
7/18/1991	NB/SB	20,694	FEDERAL ROAD from HESS ROAD to WASHBURN TUNNEL CIRCLE	496U
5/22/1988	EB/WB	1,916	FIFE LANE from WEST BAY AREA BOULEVARD to FRIENDSWOOD LINK ROAD	657C
5/12/1996	EB/WB	7,806	FRANZ ROAD from WESTGREEN BOULEVARD to MASON ROAD	445Y
10/1/1998	EB/WB	7,325	FRANZ ROAD from MASON ROAD to KATY HOCKLEY CUT-OFF ROAD	444V
3/31/1998	EB/WB	8,416	FRANZ ROAD from KATY HOCKLEY CUT-OFF ROAD to KATY-HOCKLEY ROAD	444Y
3/20/2000	NB/SB	10,095	FREEPORT STREET from IH 10 to WAXAHACHIE	487F

Mark Bower

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or
Audrey Martin

**Rolling Creek/Willow Creek Apartments
Cynosure Responses to Character Accusations
October 20, 2005**

The following information is being provided in response to information that has been published on the internet by the Rolling Creek and Willow Creek communities. The information that was listed on the internet is in italics followed by the Cynosure response.

Concern #1: *"It's no secret that the TDHCA sides with the developers. It's their job to issue the money and they naturally feel more of a connection to the developers than to opposition groups like us. Our job is to convince them that this particular developer and site are not worthy of the tax credits that they are so eager to hand out. The Oppose-WCA Staff. Mark Kirch"*

Response #1: At no time has Cynosure or its partners, Mark Bower or Dan Sereni broken the law with the submission of the applications to TDHCA. Mark Bower does not have any outstanding tax liens. Any past liens that have been due in the past by Mr. Bower have been paid with penalties and interest as required and the debts have been completely satisfied. Mr. Bower has not been sued for embezzlement or any other reasons including for the misuse of building materials. Mr. Bower has never been involved with any type of securities fraud.

In 1994, Dan Sereni did file for bankruptcy. However, no company owned or controlled by Mr. Sereni has had its authority to do business terminated by the State of Texas. Mr. Sereni's ex-wife has been involved in a company that has had its authority terminated.

Concern #2: *"Toni, Lauri and myself have been hammering the TDHCA with many hard facts that show Bower and his partner are not only unfit for this program, but they and the board may have violated the law to push this application forward. Ken"*

"The board has been informed that Bower supplied a false social security number on a part of his pre-application financial statement. Not only would a problem like this disqualify his state application according to state code, but it could be viewed as a IRS regulation and or federal code violation because tax credits are involved. I wonder if the TDHCA is prepared to sweep this bit of information under the table as well? KS"

Response #2: Cynosure did make a typo when typing Mr. Bower's social security number on one (1) form. When the mistake was discovered, the form was updated and resubmitted to the TDHCA. Mark Bower's social security number is disclosed correctly throughout the application in as required. Additionally, this information is used and relied upon by both TDHCA and other third parties involved in this transaction for background checks and financial information. This was simply an inadvertent mistake.

There are no places in the submission of the application to TDHCA or its development of these transactions where Cynosure or its partners have violated the law

Concern and Response #3: Mr. Bower has had some old tax liens in 1996 and 1997. However, these liens have been satisfied and a release of lien has been provided where required. Cynosure Developers, or any other Cynosure entity, has never had any tax liens or been late paying any taxes.

Concern #4: *"Our counterparts at the RCA opposition have brought to light that Bower is \$820,000 in debt for back federal taxes, commercial note and contract problems. I wonder what sort of excuses the TDHCA board will use to sweep this under the table. KS"*

Response #4: It appears that the documents from Mr. Bower's divorce were reviewed along with a schedule of income, expenses and debts. This schedule relates to proposed child support and is not a schedule filed by creditors. In this schedule there are three types of debt listed: (1) old, unenforceable debt from pre-1997; (2) current estimated tax liabilities; and (3) credit card debt.

Legally, most of the debt listed on the back of the schedule, over \$700,000, is not enforceable. This debt dates to back to pre-1997. Most of this debt was incurred by Mr. Bower as a result of money borrowed to purchase his interest in a company he invested in. This company is referred to in the lawsuit section of the schedule.

Mr. Bower was advised by his attorney to file bankruptcy because of the IRS and the high amount of debt. However, he chose not to do so. This debt was incurred from individuals who had faith in him. They are not suing Mr. Bower or seeking payment. The listing of this debt on this form is recognition by both Mr. Bower and his ex-wife of his moral obligation to pay these people.

This form does not list assets and was prepared before 2004 taxes were prepared. It estimates 2004 and 2005 taxes. References to the IRS were not intended to indicate that the debts were owed to the IRS. The term was used as a part of the listing to distinguish debts between Mr. Bower and his ex-wife and avoid confusion.

Concern #5: *"It looks like Bower attempted to hide the fact that he can't stay out of court. Over the last several years Bower has been sued numerous times for questionable activity relating to securities and or building material supply problems. The most recent case of securities miss handling is still pending according to the courts in and around Corpus Christi, Texas. I wonder how the TDHCA will handle this little problem. KS"*

"After a phone conversation with a Mr. Howard Holt of Corpus Christi earlier this week, I learned that he Holt had sued Bower for embezzlement in 1997. It was disposed when

Bower offered to settle out of court when it looked like Mr. Holt was going to win a judgment in the case, or so Mr. Holt indicated. This is but one of numerous cases involving questionable money dealings in Bowers past, and for this reason the state needs to do a in depth investigation of Bowers past history now. Why would the TDHCA board attempt to sweep this kind of stuff under the table? KS

Response #5:

Mr. Bower, along with the other parties to this lawsuit, signed confidentiality agreements. Therefore, he is limited in what he can say about it. However, there was no allegation of embezzlement or building materials problems with this suit.

In 1995, Mr. Bower became involved with a start up company in which he knew the principals and respected their business. He had the opportunity to buy a significant portion of the company and borrowed money to do this. Additionally, Mr. Bower began helping them with their accounting and eventually became the Chief Financial Officer and a member of their Board of Directors.

Another person was working diligently to fund the company through his friends and contacts. While he was doing this, he also happened to be an independent contractor for a large national securities company. When the business ran out of funds, there were some disgruntled investors. A few of them decided to sue. They alleged that the national securities firm, the person who raised funds and the members of the Board were all culpable of securities violations.

Mr. Bower made a decision to settle the allegation after assessing the high cost of legal fees that would be necessary to defend himself against those types of allegations. Mr. Bower has not been sued for embezzlement or any building materials issue. He has not engaged in any securities violations. This lawsuit was settled years ago and there are no pending judgments against Mr. Bower.

Mark Bower has been involved in two other lawsuits in his life. As owner of a CPA firm over 10 years, with 14 employees at one time, he was sued once by a disgruntled client. Mr. Bower settled this lawsuit and signed a nondisclosure statement. At another time, Mr. Bower was sued by American Express for a debt that he had guaranteed on a corporate account. Once he entered into a payment arrangement with them the lawsuit was dropped.

Unrelated Entity - Cynosure Properties, LLC: During the background checks performed by one of the lenders, they found an entity named Cynosure Properties, LLC which had numerous lawsuits in many states. This entity is an unrelated entity and Mark Bower and Daniel Sereni have no knowledge of it or any of its business dealings nor do they participate in this entity in any manner.

Mark Bower and Dan Sereni became partners in 2004 and came up with the name Cynosure. A search in the State of Texas showed it to be available. They did not do a

national search for the name nor believe that there was a need to do so since it was there intent to do business primarily in the State of Texas. This is very common practice in setting up a new business.

Concern and Response #6: Daniel Sereni Prior Bankruptcy Filing: Mr. Sereni's former company was a construction company, Bay Area Contractors, in San Francisco which he started with a long time personal friend around 1986. The company primarily remodeled single family residential properties. In 1989, Mr. Sereni learned that his business partner had moved overnight and taken all of the money from the company's accounts. Mr. Sereni was able to finish the job that his company was completing at this time.

He subsequently started another company and completed two more jobs, using the profits from these to try to pay former obligations. Eventually, all three jobs were completed and Mr. Sereni moved to Texas. After years of diligently trying to fulfill the obligations of his first company, Mr. Sereni filed for bankruptcy in 1994.

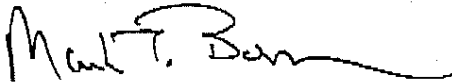
Daniel Sereni and Texas Plantations: Mr. Sereni's ex-wife has control of Texas Plantations and the company that subsequently replaced it. Mr. Sereni does not have access to any information about Texas Plantations, its business dealings or its assets. The responsibility for all tax filings is solely the responsibility of Dan Sereni's ex-wife.

Summation: As a company and as partners, Mark Bower and Dan Sereni have always conducted themselves with integrity. They have surrounded themselves with quality organizations, subcontractors and professionals that have a reputation for doing quality and timely work.

CYNOSURE DEVELOPERS, LLC.

802 N. CARANCAHUA, SUITE 1650 • CORPUS CHRISTI, TEXAS 78470 • [361] 980-1220 • FAX: [866] 728-2424

Additional statement regarding tax liens - In addition to copies of tax lien releases provided for personal income taxes, a search of public records shows a tax lien for two quarters of 941 taxes. I could not find a copy of the release of lien filed at the courthouse for this item. I called the IRS, and they said they would forward copies of the release to me and file another copy with the courthouse - either they never filed it at the courthouse or the courthouse does not have it recorded properly. They said I would get my copy in 2-3 weeks. In the meantime, I went to the field office and asked them to print a copy of the account - showing when payments were made. As you can see by the attached statements, I paid one of the accounts on 09/30/1996 and the other on 02/17/1997. The attached statements show zero balances and show how much interest and penalties were paid. The IRS says lien releases were sent to me shortly thereafter, but I cannot find the copy.



Mark T. Bower
October 25, 2005

Station Name: CRP012WA2182987 Date: 10/26/2005 Time: 4:15:52 PM

75-2354437 01199606000 BMF TAX MODULE NM CTRL:BOWE

RETENTION MARK TODD BOWER

MF ASS D MOD BAL: 0.00
 INTEREST TO DATE: 01-10-2000
 2% TRIGGER DATE: 00-00-0000
 INT TOT: 668.68
 INT AS: 666.06
 INT PD: 666.06-

TRANS DATE	AMOUNT	CYCLE	DLN	VARIABLE DATA
150 02171997	11,480.73	199706	18141-025-02690-7	TC150:01151997
	0.00	REMIT AMT (610)		USE DEFINER 'R'
599 01211997	0.00	199705	18949-421-60096-7	CLOSING CODE:69
670 01151997	10,960.98-	199706	18117-023-20616-7	
				DES PAY ID:99
970 01151997	0.00	199706	18141-025-02690-7	USE DEF CODE 'R'
166 07311996	2,583.16	199706	18141-025-02690-7	

PAGE 001 OF 002

BMFPG 002

RECEIVED

OCT 26 2005

Wage & Investment Area 5 Director
 INTERNAL REVENUE SERVICE
 Corpus Christi, TX 0501146B

Station Name: CRP012WA2182987 Date: 10/26/2005 Time: 4:14:13 PM

75-2354437 01199603000 BMF TAX MODULE NM CTRL:BOWE

MF ASS D MOD BAL: 0.00
 INTEREST TO DATE: 10-31-2005
 2% TRIGGER DATE: 00-00-0000
 INT TOT: 1,283.12
 INT AS: 1,292.16
 INT PD: 1,292.16-

TRANS DATE	AMOUNT	CYCLE	DLN	VARIABLE DATA
150 09301996	10,960.98	199638	18141-244-02950-6	TC150:08291996
	0.00		REMIT AMT (610)	USE DEFINER 'R'
166 04301996	1,972.98	199638	18141-244-02950-6	
				CSED:09302006
186 09301996	1,096.10	199638	18141-244-02950-6	FTD PENALTY CD:003
				CSED:09302006
276 09301996	274.02	199638	18141-244-02950-6	
196 09301996	473.46	199638	18141-244-02950-6	
PAGE 001 OF 002		BMFPG 002		

RECEIVED

OCT 26 2005

Wage & Investment Area 5 Director
 INTERNAL REVENUE SERVICE
 Corpus Christi, TX 0501148B

Form 668 (Y) (c)
(Rev. October 1993)

22474

Department of the Treasury - Internal Revenue Service
DOC# 1997001842

Notice of Federal Tax Lien

District SOUTH TEXAS	Serial Number 749722465	<i>For Optional Use by Recording Office</i>
-------------------------	----------------------------	---

As provided by sections 6321, 6322, and 6323 of the Internal Revenue Code, we are giving a notice that taxes (including interest and penalties) have been assessed against the following-named taxpayer. We have made a demand for payment of this liability, but it remains unpaid. Therefore, there is a lien in favor of the United States on all property and rights to property belonging to this taxpayer for the amount of these taxes, and additional penalties, interest, and costs that may accrue.

Doc# 1997001842
Pages: 1
Date : 01-17-1997
Time : 10:47:55 A.M.
Filed & Recorded in
Official Records
of NUECES County, TX.
ERNEST M. BRIONES
COUNTY CLERK
Rec. \$ 16.00

Name of Taxpayer MARK TODD BOWER
MARK T BOWER CPA

Residence 555 N CARANCAHUA 903
CORPUS CHRISTI, TX 78478

IMPORTANT RELEASE INFORMATION: For each assessment listed below, unless notice of lien is refilled by the date given in column (e), this notice shall, on the day following such date, operate as a certificate of release as defined in IRC 6325(a).

Kind of Tax (a)	Tax Period Ended (b)	Identifying Number (c)	Date of Assessment (d)	Last Day for Refiling (e)	Unpaid Balance of Assessment (f)
941	03/31/96	75-2354437	09/30/96	10/30/06	15322.18
941	06/30/96	75-2354437	12/16/96	01/15/07	13024.16

STATE OF TEXAS
COUNTY OF NUECES

I hereby certify that this instrument was FILED in File Number _____ Sequence on the date and at the time stamped herein by me, and was duly RECORDED, in the Official Public Records of Nueces County, Texas



Ernest M. Briones
COUNTY CLERK
NUECES COUNTY, TEXAS

Any provision herein which restricts the Sale, Rental or use of the described REAL PROPERTY because of Race, Color, Religion, Sex, Handicap, Familial Status or National Origin, is invalid and unenforceable under FEDERAL LAW, 3/12/89.

Place of Filing

Real Property
Nueces County
Corpus Christi, TX 78401

Total \$ 28346.34

This notice was prepared and signed at Austin, TX, on this, the 09th day of January, 1997.

Signature <i>Peggy J. Zamora</i> for PEGGY J. ZAMORA	Title Revenue Officer 74-01-3944
--	-------------------------------------

(NOTE: Certificate of officer authorized by law to take acknowledgments is not essential to the validity of Notice of Federal Tax Lien)

Form 668 (Y) (c) 22474 Department of the Treasury - Internal Revenue Service
 (Rev. October 1993) **DOC# 970200052**
Notice of Federal Tax Lien

District: SOUTH TEXAS Serial Number: 749722466
 For Optional Use by Recording Office

As provided by sections 6321, 6322, and 6323 of the Internal Revenue Code, we are giving a notice that taxes (including interest and penalties) have been assessed against the following-named taxpayer. We have made a demand for payment of this liability, but it remains unpaid. Therefore, there is a lien in favor of the United States on all property and rights to property belonging to this taxpayer for the amount of these taxes, and additional penalties, interest, and costs that may accrue.

Doc# 970200052
 # Pages: 1
 Date : 01-17-1997
 Time : 10:47:55 A.M.
 Filed & Recorded in
 Official Records
 of NUECES County, TX.
 ERNEST M. BRIONES
 COUNTY CLERK
 Rec. \$ 16.00

Name of Taxpayer MARK TODD BOWER
 MARK T BOWER CPA

Residence 555 N CARANCAHUA 903
 CORPUS CHRISTI, TX 78478

IMPORTANT RELEASE INFORMATION: For each assessment listed below, unless notice of lien is refiled by the date given in column (e), this notice shall, on the day following such date, operate as a certificate of release as defined in IRC 6325(a).

Kind of Tax (a)	Tax Period Ended (b)	Identifying Number (c)	Date of Assessment (d)	Last Day for Refiling (e)	Unpaid Balance of Assessment (f)
941	03/31/96	75-2354437	09/30/96	10/30/06	15322.18
941	06/30/96	75-2354437	12/16/96	01/15/07	13024.16

Place of Filing: PERSONAL PROPERTY
 NUECES COUNTY
 CORPUS CHRISTI, TX 78401
 Total \$ 28346.34

This notice was prepared and signed at Austin, TX, on this, the 09th day of January, 19 97.

Signature: *Rick Lopez*
 for PEGGY J. ZAMBORA Title: Revenue Officer 74-01-3944

(NOTE: Certificate of officer authorized by law to take acknowledgments is not essential to the validity of Notice of Federal Tax Lien)

**APPRAISAL CONSULTING ASSIGNMENT
C05-2160-B**

**INVOLVING THE EFFECT OF THE PROPOSED
ROLLING CREEK APARTMENTS,
A PROPOSED 248-UNIT APARTMENT DEVELOPMENT
LOCATED ON THE EAST SIDE OF FAIRBANKS NORTH HOUSTON ROAD, SOUTH
OF TERRACE BROOK DRIVE, HARRIS COUNTY, TEXAS, ON THE CYPRESS
FAIRBANKS INDEPENDENT SCHOOL DISTRICT
AND ITS PROJECTED TAX REVENUES
AND THE EFFECT ON THE FRONTING ROADWAY**

FOR

**MR. MARK BOWER
CYNOSURE DEVELOPMENT, LLC
5430 HOLLY ROAD, SUITE 8
CORPUS CHRISTI, TEXAS 78411**

BY

**PATRICK O'CONNOR & ASSOCIATES, L.P.
D.B.A. O'CONNOR & ASSOCIATES
2200 NORTH LOOP WEST, SUITE 200
HOUSTON, TEXAS, 77018**

**EFFECTIVE DATE OF THE MARKET ANALYSIS
OCTOBER 10, 2005**

**DATE OF THE REPORT
OCTOBER 24, 2005**

October 24, 2005

Mr. Mark Bower
Cynosure Development, LLC
5430 Holly Road, Suite 8
Corpus Christi, Texas 78411

Reference: **The Rolling Creek Apartments:** A proposed 248-unit Housing Tax Credit apartment project, located on the east side of Fairbanks North Houston Road, south of Terrace Brook Drive, in Harris County, Texas.

Dear Mr. Bower:

At your request, we have completed an appraisal consulting assignment for the purpose of analyzing the potential effect of the above-referenced property on the Cypress Fairbanks Independent School District and projection the estimated tax revenue the proposed subject property would likely generate for the taxing entities; as well as the effect of the proposed development on the fronting roadway. The effective date of the study is October 10, 2005. The date of the report is October 24, 2005.

The analyses provided herein are subject to the assumptions and contingent and limiting conditions contained within both the body of this report and the addenda section.

No other persons provided significant real property appraisal consulting assistance in the preparation of the market analysis.

Mr. Mark Bower
Cynosure Development, LLC
October 24, 2005
Page 2

We certify that we have no interest, present or proposed, in the subject property, that the conclusion contained herein has been reached after a careful study, investigation, analysis, and interpretation of the pertinent data, and that our fee is in no way contingent upon the conclusion. We are neither part of the development team, owner of the subject property, nor affiliated with any member of the development team engaged in the development of the property. This market analysis is prepared subject to our current assumptions and limiting conditions. Your attention is directed to the following report and accompanying data, which form, in part, the basis of our conclusions.

Respectfully submitted,

PATRICK O'CONNOR & ASSOCIATES, LP
d.b.a. O'CONNOR & ASSOCIATES

Robert O. Coe, II
State Certified General Real Estate Appraiser
TX-1333157-G

W. F. Trotter, Jr, MAI
State Certified General Real Estate Appraiser
TX-1322606-G

ASSUMPTIONS AND LIMITING CONDITIONS

This report is subject to the following assumptions and limiting conditions:

- (1) No survey of the subject property was undertaken and the appraiser(s) assume no responsibility associated with such matters.
- (2) The report conclusion is based on responsible ownership and competent management. The subject property is assumed to be free and clear of all liens, except as may be otherwise herein described. No responsibility is assumed by the appraiser(s) for matters legal in character, nor is any opinion on the title rendered, which is assumed to be good and marketable.
- (3) The information contained herein has been gathered from sources deemed to be reliable, but the appraiser(s) assume no responsibility for its accuracy. Correctness of estimates, opinions, dimensions, sketches and other exhibits which have been furnished and have been used in this report are not guaranteed.
- (4) The report conclusion rendered herein is considered reliable and valid only as of the date of the assignment, due to rapid changes in the external factors that can significantly affect the property value.
- (5) Any leases, agreements or other written or verbal representations and/or communications and information received by the appraiser(s) have been reasonably relied upon in good faith but have not been analyzed for their legal implications. We urge and caution the user of this report to obtain legal counsel of his/her own choice to review the legal and factual matters, and to verify and analyze the underlying facts and merits of any investment decision in a reasonably prudent manner.
- (6) Appraiser(s) assume no responsibility for any hidden agreements known as "side letters", which may or may not exist relative to this property, which have not been made known to us, unless specifically acknowledged within this report.
- (7) This report is to be used in whole, and not in part. Any separate valuation for land and improvements shall not be used in conjunction with any other appraisal and is invalid if so used. Possession of this report or any copy thereof does not carry with it the right of publication nor may the same be used for any purpose by anyone but the client without the previous written consent of the appraiser(s), and in any event, only in its entirety.
- (8) The appraiser(s), by reason of this report, are not required to give testimony in court with reference to the property appraised unless notice and proper arrangements have been previously made therefore.

- (9) Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales or other media without prior written consent and approval of the author.
- (10) No subsoil data or analysis based on engineering core borings or other tests were furnished to us. We have assumed that there are no subsoil defects present that would impair development of the land to its maximum permitted use, or would render it more or less valuable. No responsibility is assumed for engineering which might be required to discover such factors.
- (11) The construction and physical condition of the improvements described herein are based on plans and drawings provided by the applicant. No liability is assumed by the appraiser(s) for the soundness of structural members since no engineering tests were conducted. No liability is assumed for the condition or adequacy of mechanical equipment, plumbing or electrical components. No responsibility is assumed for engineering which might be required to discover such factors. We urge the user of this report to retain an expert in this field.
- (12) Unless otherwise stated in this report, the existence of hazardous substances, including without limitation asbestos, polychlorinated byphenyls, petroleum leakage, or agricultural chemicals, which may or may not be present in or on the property, or other environmental conditions were not called to the attention of the appraiser(s) nor did the appraiser(s) become aware of such during the appraiser(s) visit. The appraiser(s) have no knowledge of the existence of such materials on or in the property unless otherwise stated. The appraiser(s), however, are not qualified to test such substances or conditions. If the presence of such substances as asbestos, urea formaldehyde, foam insulation or other hazardous substance or environmental conditions may affect the value of the property, the conclusion is predicated on the assumption that there is no such condition on or in the property or in such proximity thereto as to cause a loss in value. No responsibility is assumed for any such conditions, nor for any expertise or engineering knowledge required to detect or discover them. We urge the user of this report to retain an expert in the field of environmental impacts on real estate if so desired.
- (13) The projections of income, expenses, terminal values or future sales prices are not predictions of the future, rather, they are the best estimate of current market thinking of what future trends will be. No warranty or representation is made that these projections will materialize. The real estate market is constantly changing. It is not the task of the appraiser(s) to estimate the conditions of a future real estate market, but rather to reflect what the investment community envisions for the future, and upon what assumptions of the future investment decisions are based.
- (14) The client or user of this report agrees to notify the appraiser(s) of any error, omission or inaccurate data contained in the report within 15 days of receipt, and return the report and all copies thereof to the appraiser(s) for correction prior to any use.

- (15) The acceptance of this report, and its subsequent use by the client or any other party in any manner whatsoever for any purpose, is acknowledgment by the user that the report has been read and understood, and specifically agrees that the data and analyses, to their knowledge, are correct and acceptable.
- (16) The assignment was not based upon a requested minimum valuation, a specific valuation, or the approval of a loan.
- (17) We have not made a specific compliance survey to determine if the subject property is in compliance with the American Disabilities Act (ADA). It is possible that compliance survey of the subject property, together with a detailed analysis of the requirements of the ADA could reveal that the subject property is not in compliance with the Act. If so, this could have a negative effect upon the value of the subject property. Since we do not have any direct evidence relating to this issue, we did not consider possible noncompliance with the requirements of the ADA in analyzing the proposed subject property.

PURPOSE OF APPRAISAL CONSULTING ASSIGNMENT

The purpose of this assignment is to analyze the proposed subject property's affect on the Cypress Fairbanks Independent School District and to project the likely tax revenues it would generate for the taxing entities; as well as analyzing the effect on the fronting roadway.

Definitions

The following applicable definitions are abstracted from The Appraisal of Real Estate, Twelfth Edition, by The Appraisal Institute.

Appraisal Consulting

"The act or process of developing an analysis, recommendation, or opinion to solve a problem, where an opinion of value is a component of the analysis leading to the assignment results.

SCOPE OF APPRAISAL CONSULTING ASSIGNMENT

Scope of Work

The scope of work for this appraisal consulting assignment included 1) interviewing leasing agents and managers of existing HTC complexes in or near the subject's market area to estimate the number of school age children the proposed subject would likely generate; 2) interviewing personnel from the school district to ascertain the existing enrollment, capacity, and future building plans; 3) analyzing the above-mentioned data to determine the effect of the proposed subject on the Cypress-Fairbanks Independent School District; 4) obtained information on the current assessed value of comparable Tax Credit complexes in or near the subject's market area; 5) analyzed the above-mentioned data to project the assessed value for the proposed subject and the potential tax revenue it would likely generate; 6) interviewed personnel from the Texas Highway Department and local governments to obtain current traffic counts and proposed future roadway expansions; and 7) analyzed the data described in #6 to determine the likely effect of the proposed subject property on the fronting roadway.

Use of the Assignment

The use of this assignment is understood to be for decision-making purposes of the client. The client, Mr. Mark Bower of Cynosure Development intends to use the report in his planning and development of Housing Tax Credit apartment complex, Rolling Creek Apartments. The problem to be solved is project the likely assessed value for the proposed subject and the tax revenues it would generate, analyzed the effect the proposed subject would have on the Cypress-Fairbanks ISD and on the fronting roadway.

Development and Reporting Process of the Assignment

Market data was obtained from sources deemed to be reliable, including, but not limited to, on-site personnel. This report fully discusses all pertinent data, descriptions, and discussions germane to the subject of this report. A copy of this report and the data included herein have been retained in our files.

Effective Date of the Assignment

The descriptions, analyses, and conclusions of this report are applicable as of October 10, 2005.

Date of the Report

The preparation of this report was completed on October 24, 2005.

Data Sources

O'Connor & Associates Apartment Data Program, relied upon by leading brokers, investors, and developers for third-party apartment information for the region, was consulted for apartment statistics. Comparable property assessed values and current tax rates were obtained from the Harris County Appraisal District's website. Traffic counts were obtained from governmental sources.

AD VALOREM PROPERTY TAXES

The subject property is a portion of the following account number by the Harris County Appraisal District: 042-040-000-0033. The taxing authorities for the subject are delineated below, along with the applicable 2004 tax rates for the taxing jurisdictions.

<u>Jurisdiction</u>	<u>2004 Tax Rate</u>
Cypress-Fairbanks Independent School District	\$1.790000
Harris County	\$0.646270
Rolling Fork PUD	\$0.400000
N. Harris Co. College District	\$0.114500
HC ESD District 9	<u>\$0.059850</u>
Total	\$3.010620

The Harris County Appraisal District has a 2004 assessed value for the parent tract (23.50 acres) of the subject property of \$549,900.

In order to estimate the tax liability of the subject property, the assessed values of other HTC projects were researched. The following are HTC properties in or near the subject PMA, and their assessed values. The Park @ Woodwind Lakes are located at 14333 Philippine, and are currently assessed at \$6,595,500, or \$45,802 per unit. Sugar Creek Apartments are located at 11501 West Road, and are currently assessed at \$7,314,527 or ±\$30,477 per unit. The Saddlewood Apartments are located at 9955 Bammel North Houston Road, and are currently assessed at \$6,550,000, or ±\$34,115 per unit. The Park @ Fallbrook Apartments are located at 10155 Bammel North Houston, and are currently assessed at \$9,500,000, or \$33,929 per unit. Other newer HTC projects in the Houston area are assessed between \$20,000 and \$40,000 per unit.

For the purposes of this analysis, we estimate the subject assessed value will be approximately \$25,000 per unit, or \$6,200,000 on an "Restricted" basis. Based on the subject's current tax rate of \$3.0106 per \$100 of assessed value we anticipated the real estate tax burden will be approximately \$186,658 on a "Restricted" basis.

Over the 30-year term of the rent restrictions, the proposed subject property would generate tax revenues of **\$5,599,783** based on the projected assessed value and the current tax rates.

The following table depicts the 30-year projected revenues to the various taxing entities:

Jurisdiction	Tax Rate	30-Year Revenue
Cy-Fair ISD	1.79000	\$3,329,400
Harris County	0.64627	\$1,202,062
Rolling Fork PUD	0.40000	\$744,000
N. Harris Co. College District	0.11450	\$212,970
HC ESD District 9	0.05985	\$111,321
TOTAL	3.01062	\$5,599,783

Cypress-Fairbanks ISD Analysis

The subject site is located on the east side of Fairbanks North Houston Road, south of Terrace Brook Drive. Students in the proposed subject would attend the following schools:

	School	Current Enrollment	% of Capacity	Available
Elementary	Frazier Elementary	897	0.975	23
Middle School	Dean Middle	1,365	0.903333	146
High School	Jersey Village High	3,115	1.038333	-115

We surveyed the following HTC complexes in or near the subject area to estimate the number of students the subject development might contain

Complex	Units	Estimated Students	Students/Unit
Arbor Oaks	298	265	0.88926
Copper Tree	324	125	0.38580
Fountains @ Tidwell	188	75	0.39894
Park @ Fallbrook	280	100	0.35714
Park Lane	325	225	0.69231
Sterling Grove	346	350	1.01156
Sugar Creek	240	100	0.41667
Tidwell Estates	132	250	1.89394
Woodglen Village	250	400	1.60000
Average	265	210	0.84951

The Danter Company reported from a survey of HTC properties that the average HTC unit generates 0.78 student. To be conservative, we have utilized the higher ratio of 0.85 students per unit. Given the subject's 248 units, this would equate to approximately 211 students.

The Cy-Fair ISD reported the following average percentage breakdown of students

Elementary	49.81%
Middle School	21.77%
High School	28.42%

Utilizing the percentages above would result in the proposed Rolling Creek Apartments generating the following students

Frazier Elementary	105
Dean Middle	46
Jersey Village High School	60

The following table depicts the existing capacity in those school affected by the proposed Rolling Creek Apartments, and the projected students generated by the proposed subject.

	Est. Students from Subject	Existing Capacity
Frazier Creek Elementary	105	23
Dean Middle	46	146
Jersey Village High School	60	-115

According to the Cy-Fair planning office, Cypress Woods High School will be on-line for the 2006-2007 school year. Administration of Cy-Fair ISD reported that if classes start to fill, portable buildings are added. It is anticipated that as the five schools come on-line next year, as well as 12 other new schools which are already planned, redistricting will occur to bring those facility which are over-capacity back into a most stable level.

Based on the current conditions in the ISD and the projected students which the proposed Rolling Creek Apartments would likely generate, it does not appears that the subject development would place an undue hardship of the capacity of the Cy-Fair ISD.

TRAFFIC STUDY

The following table depicts information regarding the roadway which the proposed subject property will front, including the most current traffic counts available, proposed construction, existing configuration, and surrounding development:

FAIRBANKS NORTH HOUSTON ROAD, SOUTH OF Terrace Brook Drive		
Traffic Flow/24 Hr.	27,614 cars	Fairbanks North Houston Rd.
Street Configuration	2 lanes in each direction with left turn lane, divided roadway with concrete curbs and gutters	
Proposed Construction	No construction currently planned. Fairbanks North Houston Road was expanded 3-to-4 years ago to its current configuration.	
Surrounding Development	Commercial development, church, new single-family residential subdivision to the north of the proposed subject, and vacant land.	

At an estimated average of 1.25 cars per units, the proposed subject would add only slightly over 1% to the existing traffic on Fairbanks North Houston. Additionally, based on our experience, a significant percentage of tenants in HTC properties in the Greater Houston Area do not work in typical business hour jobs. They tend to have a higher percentage in the following occupations: Restaurant workers, retail clerks, teachers, police and firemen, nurses.

CONCLUSIONS:

Due to the existing high traffic counts on Fairbanks North Houston Road, the impact of the proposed subject property is anticipated to be negligible.

Certification of Appraisal Consulting Assignment

We certify that, to the best of my knowledge and belief, ...

- (1) The statements of fact contained in this report are true and correct.
- (2) The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions conclusions, and recommendations.
- (3) We have no present or prospective interest in the property that is the subject of this report, and we have no personal interest or bias with respect to the parties involved.
- (4) We have no bias with respect to any property that is the subject of this report or to the parties involved with this assignment.
- (5) Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- (F) Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- (7) Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics of the Appraisal Institute, the Standards of Professional Appraisal Practice of the Appraisal Institute, and USPAP.
- (8) Robert O. Coe, II has visited the subject site. W. F. Trotter, Jr. has not viewed the subject site.
- (9) No one provided significant real property appraisal or appraisal consulting assistance to the person signing this certification.
- (10) W. F. Trotter, Jr. is an MAI Member of the Appraisal Institute and has completed the continuing education program of the Appraisal Institute.

Robert O. Coe, II
State Certified General Real Estate Appraiser
TX-1333157-G

W. F. Trotter, Jr, MAI
State Certified General Real Estate Appraiser
TX-1322606-G

EXHIBITS

Enrollment Information

CYPRESS-FAIRBANKS INDEPENDENT SCHOOL DISTRICT

9/15/05

Elementary Schools		Middle Schools		High Schools	
Adam	907	Aragon	1316	CyFair	3812
Ault	885	Arnold	1267	Cypress Creek	2867
Bane	949	Bleyl	1450	Cypress Falls	3451
Bang	943	Campbell	1448	Cypress Ridge	3516
Birkes	1345	Cook	1423	Cypress Springs	4014
Copeland	1006	Dean	1365	Jersey Village	3115
Danish	1035	Goodson	1287	Langham Creek	3404
Duryea	1386	Hamilton	832	Windfern	233
Emmott	880	Kahla	1352		
Farney	1149	Labay	1397		
Fiest	889	Spillane	1290		
Francone	816	Thornton	1609		
Frazier	897	Truitt	1384		
Gleason	944	Watkins	1274		
Hairgrove	965				
Hamilton	832				
Hancock	877				
Holbrook	843				
Holmsley	1009				
Horne	1012				
Jowell	1160				
Keith	1072				
Kirk	895				
Lamkin	1189				
Lee	984				
Lieder	803				
Lowery	880				
Matzke	983				
Metcalf	1202				
Millsap	972				
Moore	942				
Owens	991				
Post	949				

Reed	975
Robison	1306
Sampson	1307
Sheridan	1107
Tipps	1162
Walker	1463
Willbern	984
Wilson	940
Yeager	950

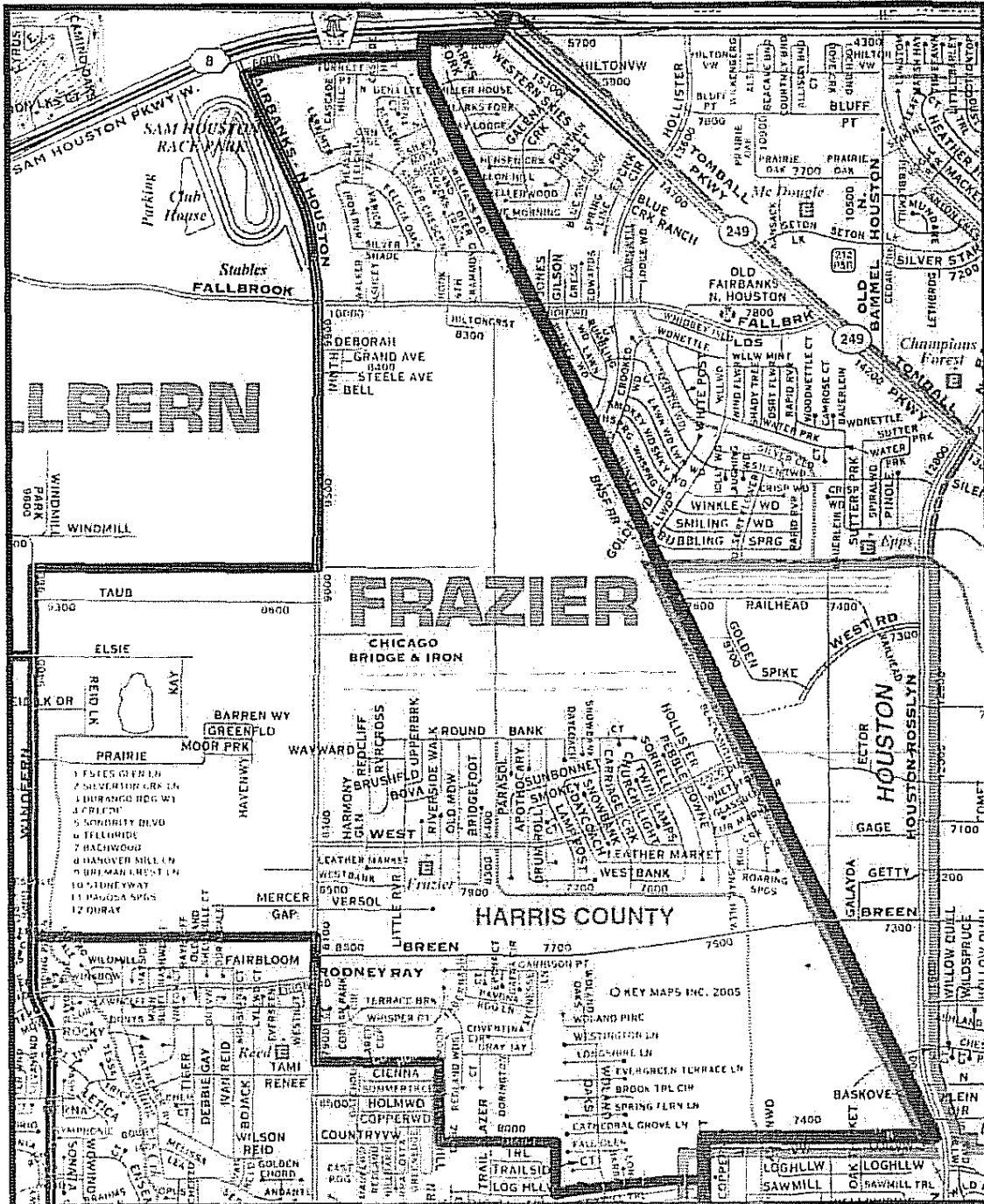
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FRAZIER ELEMENTARY

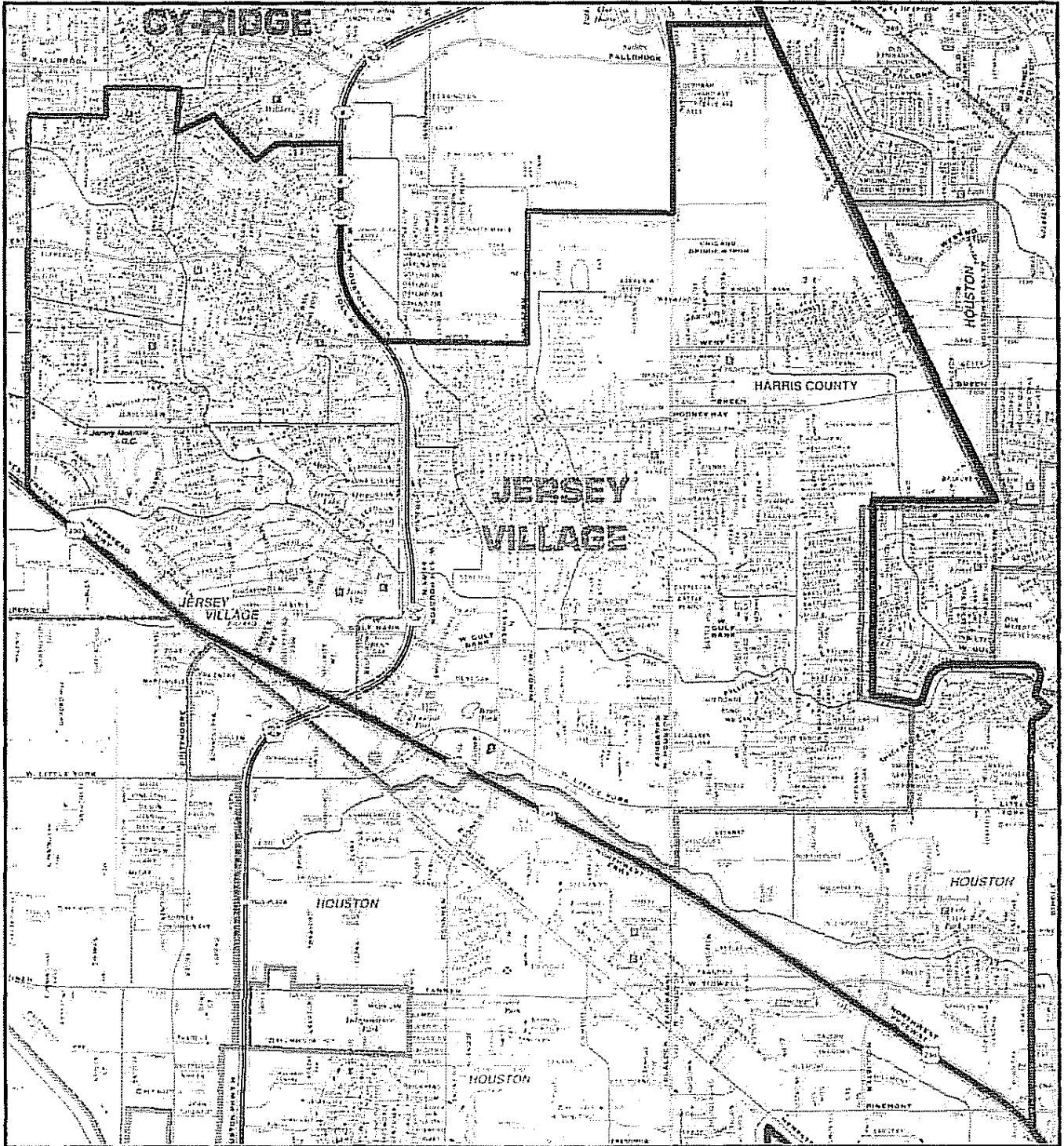


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JERSEY VILLAGE HIGH SCHOOL



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713-895-3400

2005 TEA Ratings for Cy-Fair Schools

EXEMPLARY

Elementary

Ault
Copeland
Hamilton
Sampson

RECOGNIZED

Elementary

Adam
Bang
Birkes
Emmott
Farney
Fiest
Hairgrove
Hancock
Holmsley
Keith
Kirk
Lieder
Lowery
Matzke
Millsap
Moore
Robison
Wilson
Yeager

Middle

Aragon
Goodson
Hamilton
Labay

ACCEPTABLE

Elementary

Bane
Duryea
Francone
Frazier
Gleason
Holbrook
Horne
Jowell
Lamkin
Metcalf
Owens
Post
Reed
Sheridan
Tipps
Walker
Willbern

Middle

Arnold
Bleyl
Campbell
Cook
Dean
Thornton
Truitt
Watkins

High

Cy-Fair
Cypress Creek
Cypress Falls
Cypress Ridge
Cypress Springs
Jersey Village
Langham Creek
Windfern (AEA)

Date of Count	Direction	24-Hour Volume	Count Location Description	Key Map Index
4/8/1999	NB/SB	35,570	FAIRBANKS NORTH HOUSTON ROAD from WEST LITTLE YORK ROAD to WHITE OAK BAYOU	410T
1/25/1999	NB/SB	27,514	FAIRBANKS NORTH HOUSTON ROAD from WHITE OAK BAYOU to BREEN ROAD	410P
9/1/1993	NB/SB	19,044	FAIRBANKS NORTH HOUSTON ROAD from BREEN ROAD to WEST ROAD	410G
9/2/1993	NB/SB	12,854	FAIRBANKS NORTH HOUSTON ROAD from WEST ROAD to TAUB ROAD	410G
9/2/1993	NB/SB	12,208	FAIRBANKS NORTH HOUSTON ROAD from TAUB ROAD to FALLBROOK DRIVE	370Y
1/4/2000	EB/WB	25,858	FAIRMONT PARKWAY from PRESTON to BELTWAY 8 EAST	577G
9/15/1999	EB/WB	40,633	FAIRMONT PARKWAY from BELTWAY 8 EAST to RED BLUFF ROAD	578B
10/10/1991	EB/WB	27,700	FAIRMONT PARKWAY from RED BLUFF ROAD to CUNNINGHAM (SAN JACINTO COLLEGE)	578F
1/31/1997	EB/WB	23,661	FAIRMONT PARKWAY from CUNNINGHAM (SAN JACINTO COLLEGE) to UNDERWOOD ROAD	578H
5/18/1999	EB/WB	33,906	FAIRMONT PARKWAY from UNDERWOOD ROAD to BAY AREA BOULEVARD	579G
10/20/1996	EB/WB	18,298	FAIRMONT PARKWAY from BAY AREA BOULEVARD to S.P.R.R. (IH 146)	579H
9/28/1995	EB/WB	17,584	FAIRMONT PARKWAY (WEST "J" OR WEST CARDIFF) from SH 146 to BROADWAY	580E
10/17/1991	EB/WB	5,575	FAIRMONT PARKWAY (WEST "J" OR WEST CARDIFF) from BROADWAY to SYLVAN BEACH ROAD	579H
7/16/1992	EB/WB	5,273	FALLBROOK DRIVE from FM 1960 to JONES ROAD	369X
7/16/1992	EB/WB	10,825	FALLBROOK DRIVE from JONES ROAD to PERRY ROAD	369X
7/16/1992	EB/WB	13,869	FALLBROOK DRIVE from PERRY ROAD to BELTWAY 8 (SAM HOUSTON TOLLWAY)	369Z
2/10/1997	EB/WB	5,671	FALLBROOK DRIVE from BELTWAY 8 (SAM HOUSTON PARKWAY) to WINDFERN ROAD	370W
2/27/1998	EB/WB	10,551	FALLBROOK DRIVE from FAIRBANKS NORTH HOUSTON ROAD to FM 249	370Z
11/4/1992	NB/SB	3,177	FALLING CREEK DRIVE from FM 1960 to HIGH PINES	331T
1/20/1998	EB/WB	4,519	FARRELL ROAD from HARDY STREET to ALDINE WESTFIELD ROAD	333X
7/16/1991	NB/SB	20,694	FEDERAL ROAD from HESS ROAD to WASHBURN TUNNEL CIRCLE	496U
5/22/1999	EB/WB	1,616	FIFE LANE from WEST BAY AREA BOULEVARD to FRIENDSWOOD LINK ROAD	657C
5/12/1996	EB/WB	7,606	FRANZ ROAD from WESTGREEN BOULEVARD to MASON ROAD	445V
10/1/1996	EB/WB	7,325	FRANZ ROAD from MASON ROAD to KATY HOCKLEY CUT-OFF ROAD	444V
3/31/1998	EB/WB	8,418	FRANZ ROAD from KATY-HOCKLEY CUT-OFF ROAD to KATY-HOCKLEY ROAD	444V
3/20/2000	NB/SB	10,095	FREEPORT STREET from IH 10 to WAXAHACHIE	497F

Monday, February 1

**PRELIMINARY
ON-SITE HABITAT SCREENING FOR
THREATENED AND ENDANGERED SPECIES**

**Proposed Rolling Creek Apartments
NEC Fairbanks N. Houston and Tami Renee Lane
Houston, Harris County, Texas**

**HBC/Terracon Report No. 92047606A
January 10, 2005**

Prepared for:

**MMA Financial, LLC
900 17th Street, Suite 350
Washington DC 20006**

Prepared by:

HBC
Terracon
Houston, Texas

January 10, 2005

MMA Financial, LLC
900 17th Street, Suite 350
Washington DC 20006

Attn: Mr. George Currall
202-777-0905
202-466-5273 fax

Re: Preliminary On-Site Habitat Screening for
Threatened and Endangered Species
Proposed Rolling Creek Apartments
NEC Fairbanks N. Houston and Tami Renee Lane
Houston, Harris County, Texas
Project No. 92047606A

Dear Mr. Currall:

We are pleased to submit the enclosed Preliminary Threatened and Endangered Species Habitat Screening report for the above-referenced site. We appreciate the opportunity to perform this service for you. Please contact us if you have questions regarding this information or if we can provide any other services.

Sincerely,

HBC
Terracon

James S. Sumrall, Jr.
Project Environmental Scientist
Houston Office

Jon D. Stephens
Project Biologist
Houston Office

Janis K. Franklin, PG, CAPM
Senior Project Manager
Houston Office

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Preliminary
On-Site Habitat Screening for
Threatened and Endangered Species
Proposed Rolling Creek Apartments
NEC Fairbanks N. Houston and Tami Renee Lane
Houston, Harris County, Texas
Project No. 92047606A

1.0 BACKGROUND

HBC/Terracon has conducted a Preliminary Threatened and Endangered Species (T&E) Habitat Screening. This Preliminary T&E Habitat Screening was performed in accordance with our proposal dated December 27, 2004 (revised from December 17, 2004), in general accordance with the practices and standards of similar screenings conducted in the field. Mr. James S. Sumrall, Jr. performed the site reconnaissance on January 4, 2005.

1.1 *Site Description*

The site is located at the NEC Fairbanks N. Houston and Tami Renee Lane in Houston, Harris County, Texas. The site is an approximate 23.5-acre tract of land. The site consists of undeveloped, wooded land. The southeastern portion of the site was under several inches of water at the time of the field reconnaissance. Several additional ponds were observed throughout the property, possibly associated with historic oil/gas exploration activities at the site. Residential development occupies the property to the adjacent south of the site. Additional properties to the north and east are under development as additional residential properties. The properties across Fairbanks N. Houston consist of vacant, undeveloped land, followed by Reed Elementary School.

1.2 *Historical Site Usage*

Historically, the site was developed with apparent oil/gas exploration activities from at least the mid-1940s until the late 1970s. The eastern portion of the site (along Fairbanks N. Houston) was developed with residential and/or commercial properties from the late 1960s through the mid-1990s, when the property was vacated. The site has remained vacant, wooded land from the mid-1990s through the present-day. The adjacent properties to the north, south, and east of the site consisted of undeveloped land and/or land developed with apparent oil/gas exploration activities from at least the mid-1940s through the late 1970s, when they were vacated. The properties to the north and east remained undeveloped from the mid-1980s through the present-day. The properties to the south were developed residentially from the mid-1980s through the present-day. The properties to the west of the site, across Fairbanks N. Houston were developed with several small structures (apparent residential and/or agricultural structures) from the mid-1930s through the mid-1980s, when the property was vacated. The property has remained vacant from the mid-1990s through the present-day.

1.3 *Habitat Descriptions*

Based on our observations, the site consists of two primary habitat types: wooded habitat on the western and central portions of the site; and emergent marsh on the southeastern portion of the site. The locations of these habitats are shown on Figure 2 located in Appendix A of the report.

2.0 INTRODUCTION

2.1 *Scope of Services*

This Preliminary T&E Habitat Screening was performed in accordance with our proposal dated December 27, 2004 (revised from December 17, 2004). The purpose of HBC/Terracon's Preliminary T&E Habitat Screening was to identify and evaluate the potential presence of habit parameters for listed threatened/endangered species at the site. This objective was undertaken through identifying the threatened and endangered plant and animal species that have been listed in the county, determining habitat parameters for the listed species, and conducting a visual noninvasive field survey at the site evaluating the presence of the described habitat parameters for the listed species.

2.2 *Reliance*

This ESA report has been prepared for the exclusive use and reliance of MMA Financial, LLC, Cynosure, LLC, and the Texas Department of Housing and Community Affairs (TDHCA). Use or reliance by any other party is prohibited without the written authorization of MMA Financial, LLC and HBC/Terracon.

2.3 *Limitations*

This Preliminary T&E Habitat Screening was performed in accordance with generally accepted practices of this profession undertaken in similar studies at the same time and in the same geographical area. We have endeavored to meet this standard of care but may be limited by conditions encountered during performance, a client-driven scope of services, or inability to review information not received by the report date.

Preliminary T&E Habitat Screenings, such as the one performed at this site, are of limited scope and cannot eliminate the potential that threatened or endangered species and/or associated habitat types may be present at the site beyond what is identified by the limited scope of this screening. In conducting the limited scope of services described herein, certain sources of information and public records were not reviewed. No Preliminary T&E Habitat Screening can wholly eliminate uncertainty regarding the potential for listed species in connection with a property. No warranties, are expressed or implied, intended or made. The limitations herein must be considered when the user of this report formulates opinions as to risks associated with the site or otherwise uses the report for any other purpose. These risks may be further evaluated – but not eliminated – through additional research or assessment.

Based upon the agreed-on scope of services, this Preliminary T&E Habitat Screening did not include invasive assessments, such as: capture, mark, release, recapture methods; locating nesting sites, breeding areas, and specific food sources; or other services not particularly identified and discussed herein. Reasonable attempts were made to obtain information within the scope and time constraints set forth by the client; however, in some instances, information requested is not or was not received by the issuance date of the report. Consideration of such information is beyond the scope of this assessment. Information obtained for this Preliminary Threatened and Endangered Habitat Screening was received from several sources that we believe to be reliable; nonetheless, the authenticity or reliability of these sources cannot and is not warranted hereunder.

The field reconnaissance for this Preliminary T&E Habitat Screening was further limited by dense vegetation throughout the site.

This report represents our service to you as of the report date and constitutes our final document; its text may not be altered after final issuance. Findings in this report are based upon the site's current utilization, information derived from the most recent reconnaissance and from other activities described herein; such information is subject to change. Certain indicators of the presence of potential habitat for species of concern may have been latent, inaccessible, or unobservable during the most recent reconnaissance and may subsequently become observable (such as during site renovation or development). Further, these services are not to be construed as legal interpretation or advice.

3.0 THREATENED AND ENDANGERED SPECIES RESOURCE REVIEW

HBC/Terracon conducted a preliminary review utilizing the U.S. Fish and Wildlife Service (USFWS) Division of the Endangered Species website, and the Annotated County List of Rare Species for Harris County, Texas obtained from the Texas Parks and Wildlife Department (TPWD) resources.

3.1 *United States Fish and Wildlife Service (USFWS)*

Based on a review of the USFWS website, two (2) federally listed threatened and/or endangered species have been identified in Harris County. Listed below are the common and scientific names and listing status of species identified by the USFWS as threatened, endangered, or otherwise sensitive species of concern within Harris County. The USFWS Endangered Species listing for Harris County is included at the end of this report.

FEDERALLY LISTED SPECIES OF CONCERN – HARRIS COUNTY

Common Name	Scientific Name	Listing Status
Birds		
Bald Eagle	<i>Haliaeetus leucocephalus</i>	Proposed for Delisting, Threatened
Vascular Plants		
Texas prairie dawn-flower	<i>Hymenoxys texana</i>	Endangered

3.2 *Texas Parks and Wildlife Department (TPWD)*

Based on a review of the Annotated County List of Rare Species, provided by the TPWD, forty-one (41) state-listed threatened, endangered or rare species have potential habitats in Harris County. The Annotated County List of Rare Species for Harris County is included at the end of this report.

Listed below are the common and scientific names and listing status of species identified by the TPWD as threatened, endangered, or otherwise sensitive species of concern within Harris County.

STATE LISTED SPECIES OF CONCERN – HARRIS COUNTY

Common Name	Scientific Name	Listing Status
Amphibians		
Houston Toad	<i>Bufo houstonensis</i>	Endangered
Birds		
American Peregrine Falcon	<i>Falco peregrinus anatum</i>	Endangered
Arctic Peregrine Falcon	<i>Falco peregrinus tundrius</i>	Threatened
Attwater's Greater Prairie-Chicken	<i>Tympanuchus cupido attwateri</i>	Endangered
Bald Eagle	<i>Haliaeetus leucocephalus</i>	Threatened
Black Rail	<i>Laterallus jamaicensis</i>	Rare, but with no regulatory listing status
Brown Pelican	<i>Pelecanus occidentalis</i>	Endangered
Henslow's Sparrow	<i>Ammodramus henslowii</i>	Rare, but with no regulatory listing status
Mountain Plover	<i>Charadrius montanus</i>	Rare, but with no regulatory listing status
Piping Plover	<i>Charadrius melodus</i>	Threatened
Reddish Egret	<i>Egretta rufescens</i>	Threatened
Snowy Plover	<i>Charadrius alexandrinus</i>	Rare, but with no regulatory listing status
Swallow-tailed Kite	<i>Elanoides forficatus</i>	Threatened
White-faced Ibis	<i>Plegadis chihi</i>	Threatened
White-tailed Hawk	<i>Buteo albicaudatus</i>	Threatened
Whooping Crane	<i>Grus americana</i>	Endangered
Wood Stork	<i>Mycteria americana</i>	Threatened
Fishes		
Creek Chubsucker	<i>Erimyzon oblongus</i>	Threatened
*** Mammals ***		
Black Bear	<i>Ursus americanus</i>	Threatened
Louisiana Black Bear	<i>Ursus americanus luteolus</i>	Threatened
Plains Spotted Skunk	<i>Spilogale putorius interrupta</i>	Rare, but with no regulatory listing status
Rafinesque's Big-eared Bat	<i>Corynorhinus rafinesquii</i>	Threatened
Southeastern Myotis Bat	<i>Myotis austroriparius</i>	Rare, but with no regulatory listing status
*** Reptiles ***		
Alligator Snapping Turtle	<i>Macrochelys temminckii</i>	Threatened
Atlantic Hawksbill Sea Turtle	<i>Eretmochelys imbricata</i>	Endangered
Green Sea Turtle	<i>Chelonia mydas</i>	Threatened
Gulf Saltmarsh Snake	<i>Nerodia clarkii</i>	Rare, but with no regulatory listing status
Kemp's Ridley Sea Turtle	<i>Lepidochelys kempii</i>	Endangered
Leatherback Sea Turtle	<i>Dermochelys coriacea</i>	Endangered
Loggerhead Sea Turtle	<i>Caretta caretta</i>	Threatened
Smooth Green Snake	<i>Liochlorophis vernalis</i>	Threatened
Texas Diamondback Terrapin	<i>Malaclemys terrapin littoralis</i>	Rare, but with no regulatory listing status
Texas Garter Snake	<i>Thamnophis sirtalis annectens</i>	Rare, but with no regulatory listing status
Texas Horned Lizard	<i>Phrynosoma comutum</i>	Threatened
Timber/Canebroke Rattlesnake	<i>Crotalus horridus</i>	Threatened
*** Vascular Plants ***		
Coastal gay-feather	<i>Liatris bracteata</i>	Rare, but with no regulatory listing status
Houston daisy	<i>Rayjacksonia aurea</i>	Rare, but with no regulatory listing status
Texas meadow-rue	<i>Thalictrum texanum</i>	Rare, but with no regulatory listing status
Texas prairie dawn	<i>Hymenoxys texana</i>	Endangered
Texas windmill-grass	<i>Chloris texensis</i>	Rare, but with no regulatory listing status
Threeflower broomweed	<i>Thurovia triflora</i>	Rare, but with no regulatory listing status

4.0 ON-SITE THREATENED AND ENDANGERED SPECIES HABITAT ASSESSMENT

After researching the habitat parameters for each of the listed species, HBC/Terracon performed site reconnaissance activities to evaluate the presence of potential habitat parameters for the listed threatened and endangered species that may be located on or near the site. Habitat parameters listed for the identified species were compared to the habitat parameters observed on the site. The site reconnaissance was conducted on January 4, 2005 by Mr. James S. Sumrall, Jr.

For each of the listed species in Harris County, (from both the Federal and State lists) the following table lists the common names, scientific names, the associated habitat types, the visual appearance of the species, and comments concerning the potential presence of the described habitat occurring on-site.

Harris County Threatened and Endangered Species and Associated Habitat Types

Species	Associated Habitat Types	Visual Appearance	Site Comments
Amphibians			
Houston Toad (<i>Bufo houstonensis</i>)	Species endemic to Harris County. This species prefers sandy substrate, water in pools, ephemeral pools, and stock tanks. Species breeds in spring, especially after rains and burrows in soils when inactive. Especially associated with the soils of the Sparta, Carrizo, Goliad, Queen City, Recklaw, Weches, and Willis geologic formations.	2-3 1/4" (5.1-8 cm). Medium-sized, with prominent cranial crests thickened behind the eyes. Spur of crests contacts elongate parotoids. Light brown to gray, with dark mottling on back, sometimes producing vague oblique lines. Light stripe down middle of back often present. Male has dark throat.	The site is potential habitat.

Species	Associated Habitat Types	Visual Appearance	Site Comments
Birds			
American Peregrine Falcon (<i>Falco peregrinus anatum</i>)	A cliff or series of cliffs that tends to dominate the surrounding landscape constituted typical nesting habitat in the eastern United States. However, other forms of nesting habitat have also been utilized, such as river cutbanks, trees, and manmade structures including tall towers and the ledges of tall buildings.	This bird is a medium-sized raptor with long, pointed wings and a long tail. The adult is slate gray; its wing, tail feathers, and flanks are barred with black. Black moustache marks exist on the side of the face, and its throat is white. Coloring for the lower part of the body is white and reddish buffy, extensively spotted and barred with black. The legs and feet are yellow. Immature birds are brown above, streaked below.	Described habitat type not observed on-site.
Arctic Peregrine Falcon (<i>Falco peregrinus tundrius</i>)	Various open situations from tundra, moorlands, steppe, and seacoasts, especially where there are suitable nesting cliffs, to mountains, open forested regions, and human population centers (AOU 1983). When not breeding, occurs in areas where prey concentrate, including farmlands, marshes, lakeshores, river mouths, tidal flats, dunes and beaches, broad river valleys, cities, and airports.	A falcon with long pointed wings, a dark crown and nape, and a dark wedge extending below the eye; forehead is pale in immature, which are mainly brownish above rather than black/gray as in adults	Described habitat type not observed on-site.
Attwater's Prairie Chicken (<i>Tympanuchus cupido attwateri</i>)	Coastal prairie grasslands with a variety of tall grasses and short grasses.	17 inch, yellow and black chicken. Males do booming dance. Eggs hatch in April or May.	Described habitat type not observed on-site.
Bald Eagle (<i>Haliaeetus leucocephalus</i>)	Breeding habitat most commonly includes areas close to (within 4km) coastal areas, bays, rivers, lakes, or other bodies of water that reflect the general availability of primary food sources including fish, waterfowl, and seabirds. Man-made reservoirs have provided excellent habitat. Breeds primarily in eastern third of Texas (mostly east of I-35) winters wherever open water occurs.	Adults have a white head, white tail, and a large bright yellow bill; elsewhere the plumage is dark. Immatures are dark with variable amounts of light splotching on the body, underwing coverts, flight feathers, and tail base; averages 79-94 cm long, 178-229 cm wingspan.	Described habitat type not observed on-site.

Species	Associated Habitat Types	Visual Appearance	Site Comments
Birds			
Black Rail <i>(Laterallus jamaicensis)</i>	Salt, brackish, and freshwater marshes, pond borders, wet meadows, and grassy "swamps". Nests in or along edge of marsh, in area with saturated or shallowly flooded soils and dense vegetation, usually in site hidden in marsh grass or at base of <i>Salicornia</i> ; on damp ground, on mat of previous year's dead grasses or over very shallow water.	The sexes are similar in size, averaging 10-15 centimeters in length and weighing 29-38 grams. Males are blackish above with a chestnut-brown nape patch and small white spots on the lower back, wings, rump, and tail. The head, breast, and upper abdomen are blackish-gray. The lower abdomen, flanks, and undertail coverts are blackish with narrow white barring. Adults have blackish-gray bills and red eyes. Juveniles are duller overall and have brown eyes which change to red within the first six months, usually by October.	Described habitat type not observed on-site.
Brown Pelican <i>(Pelecanus occidentalis)</i>	A large heavy water bird with a massive bill and huge throat pouch; wings and body are mostly grayish-brown; nonbreeding adult has a whitish head and neck, often washed with yellow; hindneck of breeding adult is dark chestnut; head and neck of juvenile is grayish brown; size varies greatly depending on location.	Mainly coastal, rarely seen inland or far out at sea. Feeds mostly in shallow estuarine waters, less often up to 40 miles from shore. Makes extensive use of sand spits, offshore sandbars, and islets for nocturnal roosting and daily loafing, especially by nonbreeders and during the non-nesting season. Dry roosting sites are essential. Some roosting sites eventually may become nesting areas.	Described habitat type not observed on-site.
Henslow's Sparrow <i>(Ammodramus henslowii)</i>	Open fields and meadows with grass interspersed with weeds or shrubby vegetation, especially in damp or low-lying areas, adjacent to salt marsh in some areas. Uses unmowed hayfields (abandoned if cut). Found in a variety of habitats that contain tall, dense grass and herbaceous vegetation.	Characterized by large flat head, large gray bill, and short tail. The head, nape, and most of the central crown stripe are olive-colored, with the wings extensively dark chestnut. The breast is finely streaked. When flushed, the bird flies low and jerkily, with a twisting motion of the tail. Otherwise, it is shy and secretive. Juveniles are clay-colored above and streaked on the head and back with black. Below, a faint yellow with tinges of buff on the chin and throat. Sides of the throat are typically unstreaked although occasional streaking may occur.	Described habitat type not observed on-site.
Mountain plover <i>(Charadrius montanus)</i>	Expansive short grass prairie having a high proportion of bare ground.	8-inch bird, sandy brown, grey and white. Inactive at midday.	Described habitat type not observed on-site.

Species	Associated Habitat Types	Visual Appearance	Site Comments
Birds			
Piping plover (<i>Charadrius melodus</i>)	Sandy beaches and lakeshores	White and grey 7-inch bird, 15-inch wingspan. Winters on the Gulf.	Described habitat type not observed on-site.
Reddish Egret (<i>Egretta rufescens</i>)	Shallow water (usually less than 15 centimeters deep); saline, hypersaline, or brackish coastal habitats including barren sand or mud tidal flats, salt ponds, lagoons, and open red mangrove and black mangrove (communities). Occasionally feeds in other habitats including coastal beaches, sparsely vegetated freshwater marshes, and the shores of lake and reservoirs. NESTING: Typically nests on natural islands or man-made dredge spoil islands, but occasionally nests on the coastal mainland.	A long-legged wader with a pink, black-tipped bill, and shaggy plumes on the bright rufous head (breeding adult); legs are cobalt blue; immature birds have a dark bill and are gray overall with some pale cinnamon on the head, neck, and inner wing; rarely the plumage is white; averages 76 cm long, 117 wingspan.	Described habitat type not observed on-site.
Snowy Plover (<i>Charadrius alexandrinus</i>)	Beaches, dry mud or salt flats, sandy shores of rivers, lakes, and ponds. Nests on the ground on broad open beaches or salt or dry mud flats, where vegetation is sparse or absent (small clumps of vegetation are used for cover by chicks); nests beside or under an object or in. Sometimes nests on salt evaporators, levees associated with saline ponds, parking lots, dune systems up to a kilometer from the beach, and dredged material. When not breeding, found in primarily coastal areas, such as beaches, flats, lagoons, and salt-evaporation ponds; but also inland at wastewater ponds and saline lakes.	A pale plover with a sand-colored dorsum, white venter, thin dark bill, dark or grayish feet and legs, and (in adults) a partial breast band, a dark ear patch, and dark bar on the forecrown (during the breeding season, dark marks tend to be darker in males than in females; nonbreeding plumage is duller and the differences between the sexes are not so evident); immatures are pale buff mixed with grayish white on the upperparts; total length averages about 16 cm.	Described habitat type not observed on-site.
Swallow-tailed Kite (<i>Elaenoides forficatus</i>)	Occupies diverse vegetation types, from sea level to 1850 meters; occasionally wanders up to 3000 meters. Key features of habitat include tall, accessible trees for nesting and open areas for foraging; arid areas are avoided. In the U.S., nesting and foraging habitats include various pine forests and savannas, cypress swamps and savannas, cypress-hardwood swamps, hardwood hammocks, mangrove (AVICENNIA) swamps, narrow riparian forests, prairies, and freshwater and brackish marshes.	A slim diurnal raptor (hooked bill, strong talons) with narrow pointed wings and a black, strongly forked tail; head, breast, belly, and underwing coverts are white, flight feathers and back are black; young are streaked on the head and breast; average length 58 cm, wingspan 122 cm.	Described habitat type not observed on-site.

Species	Associated Habitat Types	Visual Appearance	Site Comments
Birds			
White-faced Ibis <i>(Plegadis chiti)</i>	Marshes, swamps, ponds and rivers, mostly in freshwater habitats (Tropical to Temperate zones). Nests in marshes; in low tree, on the ground in bulrushes or reeds, or on a floating mat. In the Central Valley of California, ibises preferentially selected foraging sites close to emergent vegetation	A long-legged wader with a long slender decurved bill and chestnut plumage, glossed with green and purple (breeding adult); looks all-dark at a distance; immature and winter birds are dark with some lighter coloring or streaking on the head and neck; averages 58 cm long, 91 cm in wingspan.	Described habitat type not observed on-site.
White-tailed Hawk <i>(Buteo albicaudatus)</i>	Open country, primarily savanna, prairie, and arid habitats of mesquite, cacti, and bushes, very rarely in open forest. In Texas: near coast on prairies, cordgrass flats, and scrub-live oak; farther inland on prairie, mesquite and oak savanna, and mixed savanna-chaparral. Suitable habitat in Texas is similar to desirable range condition for cattle grazing.	A large stocky hawk. Adult gray above, white below, with narrow but conspicuous black band on its short white tail, and rufous shoulder patch. Immature birds dark with gray tail.	Described habitat type not observed on-site.
Whooping Crane <i>(Grus americana)</i>	Potential migrant winters in and around Aransas National Wildlife Refuge and migrates to Canada for breeding.	They are white with black wing tips. They have a red forehead and cheeks. Male and female whooping cranes look the same. You can only tell gender with a blood sample. Young birds are brown. The Whooping Crane adults stand nearly five feet tall and has a wingspan of more than seven feet - the tallest of all North American birds.	Described habitat type not observed on-site.
Wood Stork <i>(Mycteria americana)</i>	Storks are birds of freshwater and brackish wetlands, primarily nesting in cypress or mangrove swamps. They feed in freshwater marshes, narrow tidal creeks, or flooded tidal pools. Particularly attractive feeding sites are depressions in marshes or swamps where fish become concentrated during periods of falling water levels.	Wood storks are large, long-legged wading birds, about 50 inches tall, with a wingspan of 60 to 65 inches. The plumage is white except for black primaries and secondaries and a short black tail. The head and neck are largely unfeathered and dark gray in color. The bill is black, thick at the base, and slightly decurved. Immature birds are dingy gray and have a yellowish bill.	Described habitat type not observed on-site.

Species	Associated Habitat Types	Visual Appearance	Site Comments
Fishes			
Creek Chubsucker <i>(Erimyzon oblongus)</i>	Species associated with small rivers and creeks of various types. Species seldom found in impoundments; prefers headwaters, but seldom occurs in springs. Species young typically found in headwater rivulets or marshes and spawns in river mouths or pools, riffles, lake outlets and upstream creeks.	Robust, moderately large-scaled sucker with a somewhat elongated body, well rounded or somewhat compressed. Subterminal mouth and short dorsal fin base, adult dorsal fin well rounded. Male anal fin has two lobes, female is normal. Males have 3 tubercles on each side of snout and a few on the anal fin. Gold, green, and brassy iridescence along the top of the body. Black stripe on side of young, as well as reddish dorsal and tail fins	Described habitat type not observed on-site.

Harris County Threatened and Endangered Species and Associated Habitat Types

Species	Associated Habitat Types	Visual Appearance	Site Comments
Mammals			
Black Bear (<i>Ursus americanus</i>)	Mixed deciduous-coniferous forests with a thick understory. Special habitat factors are fallen log/debris and standing snag/hollow tree. When inactive, occupies den under fallen tree, in ground-level or above-ground tree cavity or hollow log, in underground cave-like sites, on ground surface in dense cover.	Medium-sized bear, black or brown in color; snout brown, straight in profile; small rounded ears; five toes on both front and rear feet with front claws slightly longer than hind claws; head and body length 150-180 cm, tail about 12 cm, mass about 90-140 kg for females, 115-270 kg for males.	Described habitat type not observed on-site.
Louisiana Black Bear (<i>Ursus americanus luteolus</i>)	Bottomland hardwoods and floodplain forests, also upland hardwoods, mixed pine/hardwoods, coastal flatwoods, and marshes. Hibernates in winter in large hollow trees, downed logs or in ground nests, which are shallow depressions lined with vegetation.	120-400 lbs., 4.5-6.5 feet long. Active from April to November.	Described habitat type not observed on-site.
Plains Spotted Skunk (<i>Spilogale putorius interrupta</i>)	Open grasslands, brush areas and cultivated land. Dens are located below ground in grassy banks, rocky crevices or along fence rows; or above ground in hay stacks, woodpiles, hollow logs or trees or brush heaps.	Smaller, more slender body than striped skunks. Identified by a white triangular patch on the forehead, a solid black tail and four to six broken white stripes extending from the neck along the back and sides.	Described habitat type not observed on-site.
Rafinesque's Big-eared Bat (<i>Corynorhinus rafinesquii</i>)	Species roosts in cavity trees of bottomland hardwoods, concrete culverts, and abandoned man-made structures	Similar to Townsend's big-eared bat, but hairs of the underparts have white tips that contrast sharply with the dark bases; long hairs on foot project noticeably beyond the ends of the toes; middle upper incisors with a secondary cusp; median postpalatal process triangular in shape with a broad base. External measurements average: total length, 100 mm; tail, 46 mm; foot, 12 mm; forearm, 43 mm. Weight, 7-13 g.	Described habitat type not observed on-site.
Southeastern Myotis Bat (<i>Myotis austroriparius</i>)	Species roosts in cavity trees of bottomland hardwoods, concrete culverts, and abandoned man-made structures	A medium-sized bat, usually 3½-4 inches (89-102 mm) in length with a wingspan of 10 inches (254 mm). Bats in the genus <i>Myotis</i> are relatively hard to tell apart, but this one typically has whitish belly fur in winter that contrasts strongly with the brown fur of the back, long toe hairs, and a bare, pinkish nose. In summer, most individuals take on a russet hue.	Described habitat type not observed on-site.

Species	Associated Habitat Types	Visual Appearance	Site Comments
Reptiles			
Alligator Snapping Turtle (<i>Macrochelys temminckii</i>)	Species found in deep waters of rivers, canals, lakes, and oxbows; also found in swamps, bayous, and ponds near deep running water. Species sometimes enters brackish coastal waters. Usually in water with mud bottom and abundant aquatic vegetation. Species known to migrate several miles along rivers.	Alligator Snapping Turtles can get almost as long as 31 inches and can weight up to 250 lbs. These turtles may live longer than 100 years. They can be identified by their three large, pronounced ridges running from the front to the back of their very large shells. They have a snout that is pointed and their eyes are on the sides of their heads instead of the top like the common snapping turtle. The head of an Alligator Snapping Turtle also very large, with very powerful jaws. The upper jaw is hooked and the tongue contains a worm like lure used to attract prey into the mouth.	Described habitat type not observed on-site.
Atlantic Hawksbill Sea Turtle (<i>Eretmochelys imbricata</i>)	Shallow coastal waters with rocky bottoms, coral reefs, and mangrove-bordered bays and estuaries; infrequently reported from shallow coastal systems with soft bottoms and high turbidity. Juveniles never range far from the shallowest coral reefs (CSTC 1990). Adults do not travel beyond the tropics. Nests on undisturbed, deep-sand beaches, from high energy ocean beaches to tiny pocket beaches several meters wide contained in crevices of cliff walls; typically a low-energy sand beach with woody vegetation, such as sea grape or saltshrub, near the water line (CSTC 1990). Successive nestings usually are in the same general area. Beach development and illumination may make beaches unsuitable for successful nesting.	A sea turtle in which the large scutes of the brown carapace overlap, except in very young and very old individuals; carapace has middorsal keel; some individuals exhibit a "tortoiseshell" pattern (radiating streaks); 4 coastal plate on each side of carapace; two pairs of prefrontals between the eyes; limbs are flattened flippers, with 2 claws on each flipper; snout is pointed and beaklike; young are all black or dark brown except light brown raised ridges, shell edges, and areas on the neck and flippers; adult carapace length usually 76-89 cm (to 90+ cm), mass 43-75 kg (to 127 kg)	Described habitat type not observed on-site.
Green Sea Turtle (<i>Chelonia mydas</i>)	Green Sea Turtles range throughout the Atlantic, Pacific, and Indian Oceans primarily in the tropical regions. The turtle feeds in shallow water area with abundant seagrasses or algae. The turtles migrate from nesting areas to feeding grounds, which are sometimes several thousand miles away. The major nesting beaches are always found in places where the seawater temperature is greater than 25 ° C.	A sea turtle with a brown carapace, often with radiating mottled or wavy dark markings or large dark brown blotches; 4 coastal plates on each side of carapace; first coastal does not contact the nuchal; one pair of prefrontal plates between the eyes; limbs are flattened flippers; young are black to dark brown above, mainly white below, with a middorsal keel and two plastral keels, 4-6 cm at hatching; adult carapace length usually 90-122 cm (to 153 cm), mass 113-204 kg (to 295+ kg)	Described habitat type not observed on-site.

Species	Associated Habitat Types	Visual Appearance	Site Comments
Reptiles			
Gulf Saltmarsh Snake <i>(Nerodia clarkii)</i>	Estuarine; coastal salt marshes containing <i>Spartina</i> , <i>Juncus</i> , <i>Salicornia</i> ; toward southern end of range, mangroves. Sometimes under rocks, logs, and other cover.	Watersnake with 21 or 23 dorsal scale rows, keeled scales, an a divided anal scale; coloration extremely variable, spotted, blotched, plain, and/or cross-banded; usually 38-76 cm, up to 91 cm.	Described habitat type not observed on-site.
Kemp's Ridley Sea Turtle <i>(Lepidochelys kempii)</i>	<p>Shallow coastal and estuarine waters, usually over sand or mud bottoms where crabs are numerous. Often associated with subtropical shorelines of red mangrove. Occurs over seagrass beds in Chesapeake Bay. Transmitter-tagged individuals in the southeastern U.S. frequented waters 1-140 m deep in areas up to 77 km offshore; they spent 89% of their time submerged (Renaud 1995). Apparently largely benthic. Post-hatchlings apparently spend many months as surface pelagic drifters in weedlines of offshore currents (CSTC 1990). Primary summer range of juveniles seems to be northern estuaries (such as Chesapeake Bay and Long Island Sound). Adults and subadults occur mainly in coastal waters or shallow banks offshore.</p> <p>Nests on well-defined elevated dune areas, especially on beaches backed up by large swamps or bodies of open water having seasonal, narrow ocean connections.</p>	A sea turtle with an almost circular carapace, olive green (adults) or gray (young) above, yellow below; 5 costals on each side of carapace, the first one touching the nuchal; usually 4 enlarged scutes on bridge, with a single pore at the posterior edge of each scute; usually there is an interanal scute at the posterior tip of the plastron; beak is somewhat parrotlike; young have 3 tuberculate dorsal ridges, four plastral ridges; limbs are flattened flippers; adult carapace length usually 58-70 cm (to 75 cm), mass 36-45 kg (to 50 kg); 3.8-4.4 cm at hatching	Described habitat type not observed on-site.

Species	Associated Habitat Types	Visual Appearance	Site Comments
Reptiles			
<p>Leatherback Sea Turtle <i>(Dermochelys coriacea)</i></p>	<p>Marine; open ocean, often near edge of continental shelf; also seas, gulfs, bays, and estuaries. Mainly pelagic, seldom approaching land except for nesting (Eckert 1992). Concentrates in summer in waters mostly 20-40 m deep near Cape Canaveral, Florida. Dives almost continuously, to depths of up to at least several thousand meters; may linger at the surface at midday but spends most of time submerged.</p> <p>Nests on sloping sandy beaches backed up by vegetation, often near deep water and rough seas. Largest colonies use continental, rather than insular, beaches (CSTC 1990). Absence of a fringing reef appears to be important. Deposits eggs in moist sand. Individuals sometimes change to different nesting beach between nestings during a single year; changed to sites 30-110 km away in West Indies (Eckert et al. 1989; see also Copela 1993:1010-1017). May rapidly occupy newly formed nesting habitat</p>	<p>Carapace has seven prominent longitudinal ridges, plastron has five ridges; no scutes on skin-covered carapace and plastron; carapace blackish or dark bluish, often with irregular whitish or pink blotches; plastron mainly whitish; the largest turtle, with adults usually 135-178 cm (to 189 cm) in carapace length, 295-544 kg (to 916 kg); young are black and white, covered with numerous small beady scales (later shed), carapace about 6-7.5 cm at hatching</p>	<p>Described habitat type not observed on-site.</p>

Species	Associated Habitat Types	Visual Appearance	Site Comments
Reptiles			
<p>Loggerhead Sea Turtle (<i>Caretta caretta</i>)</p>	<p>Open sea to more than 500 miles from shore, mostly over continental shelf, and in bays, estuaries, lagoons, creeks, and mouths of rivers; mainly warm temperate and subtropical regions not far from shorelines. Off North Carolina, loggerheads inhabited waters of 13-28 C (available range 5-32 C) (Coles and Musick 2000). Adults occupy various habitats, from turbid bays to clear waters of reefs. Subadults occur mainly in nearshore and estuarine waters. Hatchlings move directly to sea after hatching, often float in masses of sea plants (Sargassum); may remain associated with sargassum rafts perhaps for 3-5 years. In Chesapeake Bay, occurs mainly in deeper channels, usually at river mouths or in the open bay.</p> <p>Nesting occurs usually on open sandy beaches above high-tide mark, seaward of well-developed dunes. Nests primarily on high-energy beaches on barrier strands adjacent to continental land masses in warm temperate and subtropical regions; steeply sloped beaches with gradually sloped offshore approaches are favored (CSTC 1990). Renesting generally occurs at the same beach or within a few km; generally returns to the same area in subsequent years if habitat remains suitable. Individuals sometimes change to different nesting beach within a single nesting season; has changed to sites up to several hundred km away</p>	<p>A reddish-brown sea turtle with a relatively large head; 5 or more costals (pleurals) on each side of the carapace; first costal always touches the nuchal; three (usually) or 4 large poreless scutes on bridge between shells; middorsal keel becomes inconspicuous in large individuals; limbs are flattened flippers; tail of adult male (extends past tips of back-stretched hind flippers) is much longer than that of adult female (barely reaches rear edge of carapace); young are brown or reddish-brown dorsally and have 3 dorsal keels and 2 plastral keels; adult carapace length usually 70-125 cm (to 122+ cm), mass 70-180 kg (to 227+ kg); hatchling shell length is 4-5 cm, mass about 20 g</p>	<p>Described habitat type not observed on-site.</p>
<p>Smooth Green Snake (<i>Lioclorophis vernalis</i>)</p>	<p>Meadows, grassy marshes, moist grassy fields at forest edge, mountain shrublands, stream borders, bogs, open moist woodland, abandoned farmland, vacant lots. Has been found hibernating in abandoned ant mounds.</p>	<p>A small-medium, slender, bright green snake with smooth dorsal scales (15 rows at mid-body), and a white or yellowish venter; in Texas the color may be light brown with an olive wash instead of green; young are dark olive gray above, hatchlings are gray to brown above; adults turn blue or gray after death; total length usually 30-51 cm, up to 61 cm; hatchlings are about 8-17 cm long</p>	<p>The site is potential habitat.</p>

Species	Associated Habitat Types	Visual Appearance	Site Comments
Reptiles			
Texas Diamond-back Terrapin <i>(Malaclemys terrapin littoralis)</i>	Salt or brackish water in coastal swamps and river mouths.	Carapace: Gray, brown, and/or black; contrasting dark and light diamond-like pattern. Head, legs, and plastron: yellowish, off-white, or gray with black dots. Prominent black eyes. Hind feet are webbed. The highest point of the carapace is toward the rear. Plastron is off-white. Legs are greenish-gray with dark spots. Weight = up to 2 pounds; Males measure 4-6 inches; Females measure 6-9 inches	Described habitat type not observed on-site.
Texas Garter Snake <i>(Thamnophis sirtalis annectens)</i>	Wet or moist microhabitats are conducive to the species occurrence, but is not necessarily restricted to them. Species hibernates underground or in or under surface cover.	Like all Garter Snakes, these snakes have lateral stripes or rows of spots (usually white, yellow, can be greenish, bluish, orange, or red), against a darker background (black, dark green, greenish-brown, olive). There is wide variation within the species. <i>T. sirtalis</i> can be distinguished from other <i>Thamnophis</i> species by the location of the lateral strip. In <i>sirtalis</i> it is always limited to the second and third rows of scales up from the ventral scales. There is usually a double-row of black spots between the lateral stripes.	The site is potential habitat.
Texas Horned Lizard <i>(Phrynosoma cornutum)</i>	From sea level to 6,000' (1,800 m) in dry areas, mostly open country with loose soil supporting grass, mesquite, cactus. Kansas to Texas and west to se. Arizona. Isolated population in Louisiana; introduced in n. Florida.	Flat-bodied lizard with large crown of spines on head; 2 center spines longest. 2 rows of pointed scales fringe each side. Belly scales keeled. Red to yellow to gray; dark spots have light rear margins. Dark lines radiate from eye.	Described habitat type not observed on-site.
Timber/ Canebrake rattlesnake <i>(Crotalus horridus)</i>	Remote wooded hillsides with rock outcrops in the North; unsettled swampy areas, canebrake thickets, and floodplains in the South; sea level to 6,600' (2,000 m).	Northern forms range from yellow through brown or gray to black, with dark back and side blotches on front of body and blotches fused to form crossbands on rear of body. Head unmarked. Southern forms yellowish-, brownish- or pinkish-gray, with tan or reddish-brown back stripe dividing chevronlike crossbands; dark stripe behind eye. Both forms have black tail. Scales keeled, in 23-25 rows.	Described habitat type not observed on-site.

Species	Associated Habitat Types	Visual Appearance	Site Comments
Vascular Plants			
Coastal gay-feather (<i>Liatris bracteata</i>)	The Coastal gay-feather is endemic to the coastal prairies of eastern Texas and is found in black clay soils of prairie remnants.	This perennial has erect stems to thirty inches tall and smooth stiff basal leaves five inches long. The narrow, grasslike leaves decrease in size upward along the stem. The bright purple flower heads contain from eight to ten flowers, although those near the upper tip of the plant may have up to fourteen.	Described habitat type not observed on-site.
Houston daisy (<i>Rayjacksonia aurea</i>)	Species prefers seasonally wet, saline barren areas and around the base of mima mounds in coastal prairies or barren to somewhat vegetated openings in grasslands (including pastures and roadsides) on loamy to sandy loam soils.	Blooms are typically arranged as a "head" composed of many small flowers attached to a base, the "receptacle." In many Composites, including the Houston Daisy, the outer or marginal flowers of the head have a single, showy, petal-like strap and are referred to as "ray flowers." The interior, tube-shaped flowers are called the "disc flowers." The "petal" of a Daisy is actually a petal-like strap from one individual ray flower. The ray flowers form a circle at the outer margin of the Daisy's head and the many disc flowers form the center of the head.	Described habitat type not observed on-site.

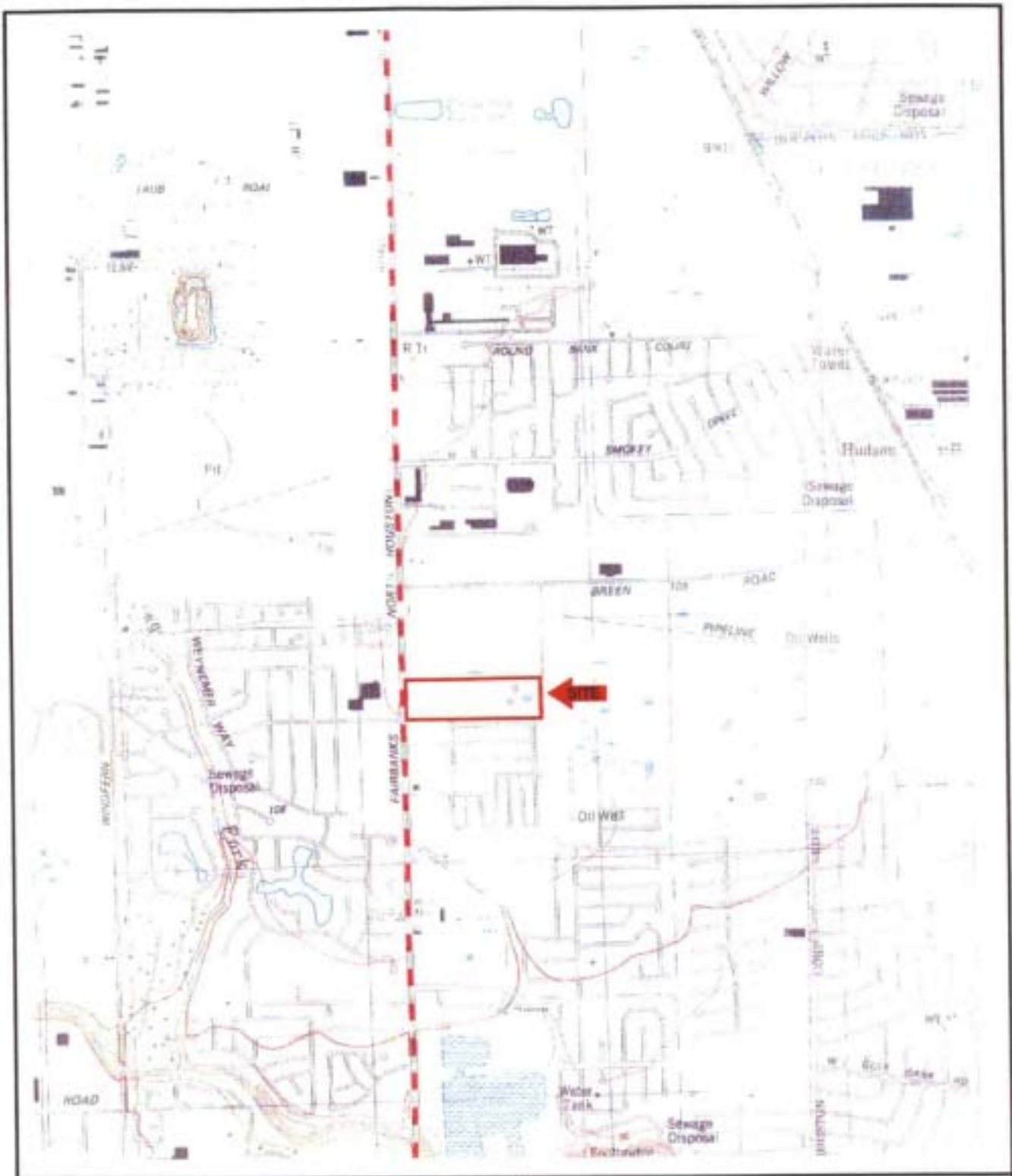
Species	Associated Habitat Types	Visual Appearance	Site Comments
Vascular Plants			
Texas meadow-rue <i>(Thalictrum texanum)</i>	Species prefers mesic woodlands or forests, including wet ditches on partially shaded roadsides.	These plants are herbaceous perennials that grow 8 to 16 inches (20-40 cm) tall. Growth is erect. Stems are decumbent (= growing along ground with only ends turning upward). Roots are black and fleshy with ribs. Stems are cylindrical and hollow. Leaves are alternate. The lower leaves are twice or thrice pinnately compound becoming progressively less compound along the stem. Leaflets are often lobed or have teeth. Petiole (= leaf stalk) base clasps the stem. Inflorescences are branched. Flowers are usually imperfect (= all male or all female) and on separate plants. Occasionally, a few perfect flowers are present. Flowers are yellowish green in color. The calyx is composed of four to five sepals that look similar to the petals. The sepals of staminate flowers (= male) are ovate to elliptic, approximately 1/16 inch (2-3 mm) long. Flowers are without petals. Stamens are numerous and tangled together. Filaments are distinct and about 1/16 inch (2-3 mm) long. Anthers are slender with long, narrow points at the apex. They are approximately 1/16 inch (1.9-2.7 mm) long. Pistils range from 4 to 17 in number. The ovary is convex on one side and flattened on the other. There is one stigma. Fruits are ovoid achenes with 10 to 12 ribs on the outer surface.	Described habitat type not observed on-site.
Texas prairie dawn <i>(Hymenoxys texana)</i>	Species prefers poorly drained depressions or base of mima mounds in open grasslands or almost barren areas on slightly saline soils.	Prairie dawn is a member of the sunflower family, but this small annual only reaches a height of six inches and so is often overlooked. In late winter its oblong leaves cluster at the plant base and in March or April a small (0.15-0.23 inch long) round head of yellow disk flowers appears. The minute ray flowers are concealed by the bracts. The plant sets seeds from April to May and dies before the bare ground dries and cracks in the summer heat. The seeds are cone-shaped and hairy.	Described habitat type not observed on-site.

Species	Associated Habitat Types	Visual Appearance	Site Comments
Vascular Plants			
Texas windmill-grass (<i>Chloris texensis</i>)	Endemic; sandy to sandy loam soils in open to sometimes barren areas in prairies and grasslands, including ditches and roadsides; flowering in fall	No description available	Described habitat type not observed on-site.
Threeflower broomweed (<i>Thurovia triflora</i>)	Endemic; black clay soils of remnant grasslands, also tidal flats; flowering July-November	No description available	Described habitat type not observed on-site.

5.0 FINDINGS AND CONCLUSIONS

In the limited scope of this Preliminary T&E Habitat Screening, potential habitat for the Houston Toad (*Bufo houstonensis*), the Smooth Green Snake (*Liochlorophis vernalis*), and the Texas Garter Snake (*Thamnophis sirtalis annectens*) was identified on-site. If during the development process a snake is discovered, it should be relocated off-site to ensure no impact. Additionally, the site is unlikely habitat for the Houston Toad due to the nature of the on-site soils which are listed as Gessner loam and may impede the toad's ability to burrow.

If the client wishes a higher level of confidence as to the existence of these species on the subject site, HBC/Terracon can perform a Biological Assessment to assess the presence/absence of the species on-site. The scope of the Biological Assessment would include an intensive assessment to evaluate the presence/absence of the potential listed species to determine if the species do utilize the site for habitat, breeding sites or food sources.



USGS TOPOGRAPHIC QUADRANGLE MAP
Addicks, Texas



Revised: 1995

APPROXIMATE SCALE 1" = 2000'



PROPOSED ROLLING CREEK APARTMENTS
NEC FAIRBANKS N. HOUSTON & TAMI RENEE LN.
HOUSTON, TEXAS

HBC PROJECT NO. 92047606A

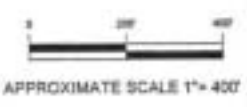
Prepared By: REF

Approved By: JSS

FIGURE 1:
SITE VICINITY MAP



LEGEND	
---	SITE BOUNDARY



HBC Terracon
Consulting Engineers & Scientists

HBC/TERRACON NO: 92047506A

DRAWN BY:	REP
CHECKED BY:	JSS
SCALE:	AS SHOWN
DATE:	1-4-05

FIGURE 2
SITE PLAN
PROPOSED ROLLING CREEK APARTMENTS
NEC FAIRBANKS N. HOUSTON & TAM RENEE LN.
HOUSTON, TEXAS

DWG. No. 92047506A_site plan



U.S. Fish & Wildlife Service

Endangered Species List

[◀ Back to Start](#)

List of species by county for Texas:

Counties Selected: Harris

Select one or more counties from the following list to view a county list:

Anderson	<input type="checkbox"/>
Andrews	<input type="checkbox"/>
Angelina	<input type="checkbox"/>
Aransas	<input type="checkbox"/>
Archer	<input type="checkbox"/>

[View County List](#)

Harris County

Common Name	Scientific Name	Listing Status	More Info
bald eagle	<i>Haliaeetus leucocephalus</i>	AD, T	F
Texas prairie dawn-flower	<i>Hymenoxys texana</i>	E	F

HARRIS COUNTY

Federal Status State Status

*** AMPHIBIANS ***

- Houston Toad (*Bufo houstonensis*)** – endemic; species sandy substrate, water in pools, ephemeral pools, stock tanks; breeds in spring especially after rains; burrows in soil when inactive; breeds February-June; associated with soils of the Sparta, Carrizo, Goliad, Queen City, Recklaw, Weches, and Willis geologic formations
- LE E

*** BIRDS ***

- American Peregrine Falcon (*Falco peregrinus anatum*)** - potential migrant; nests in west Texas
- DL E
- Arctic Peregrine Falcon (*Falco peregrinus tundrius*)** - potential migrant
- DL T
- Attwater's Greater Prairie-chicken (*Tympanuchus cupido attwateri*)** - this county within historic range; endemic; open prairies of mostly thick grass one to three feet tall; from near sea level to 200 feet along coastal plain on upper two-thirds of Texas coast; males form communal display flocks during late winter-early spring; booming grounds important; breeding February-July
- LE E
- Bald Eagle (*Haliaeetus leucocephalus*)** - found primarily near seacoasts, rivers, and large lakes; nests in tall trees or on cliffs near water; communally roosts, especially in winter; hunts live prey, scavenges, and pirates food from other birds
- LT-PDL T
- Black Rail (*Laterallus jamaicensis*)** – salt, brackish, and freshwater marshes, pond borders, wet meadows, & grassy swamps; nests in or along edge of marsh, sometimes on damp ground, but usually on mat of previous year's dead grasses; nest usually hidden in marsh grass or at base of *Salicornia*
- Brown Pelican (*Pelecanus occidentalis*)** - largely coastal and near shore areas, where it roosts on islands and spoil banks
- LE E
- Henslow's Sparrow (*Ammodramus henslowii*)** - wintering individuals (not flocks) found in weedy fields or cut-over areas where lots of bunch grasses occur along with vines and brambles; a key component is bare ground for running/walking; likely to occur, but few records within this county
- Mountain Plover (*Charadrius montanus*)** – breeding: nests on high plains or shortgrass prairie, on ground in shallow depression; nonbreeding: shortgrass plains and bare, dirt (plowed) fields; primarily insectivorous
- Piping Plover (*Charadrius melodus*)** – wintering migrant along the Texas Gulf Coast; beaches and bayside mud or salt flats
- LT T
- Reddish Egret (*Egretta rufescens*)** – resident of the Texas Gulf Coast; brackish marshes and shallow salt ponds and tidal flats; nests on ground or in trees or bushes, on dry coastal islands in brushy thickets of yucca and prickly pear
- T
- Snowy Plover (*Charadrius alexandrinus*)** - wintering migrant along the Texas Gulf Coast beaches and bayside mud or salt flats
- Swallow-tailed Kite (*Elanoides forficatus*)** - lowland forested regions, especially swampy areas, ranging into open woodland; marshes, along rivers, lakes, and ponds; nests high in tall tree in clearing or on forest woodland edge, usually in pine, cypress, or various deciduous trees
- T
- White-faced Ibis (*Plegadis chihi*)** – prefers freshwater marshes, sloughs, and irrigated rice fields, but will attend brackish and saltwater habitats; nests in marshes, in low trees, on the ground in bulrushes or reeds, or on floating mats
- T
- White-tailed Hawk (*Buteo albicaudatus*)** - near coast on prairies, cordgrass flats, and scrub-live oak; further inland on prairies, mesquite and oak savannas, and mixed savanna-chaparral; breeding March-May
- T

	Federal Status	State Status
Whooping Crane (<i>Grus americana</i>) - potential migrant; winters in and around Aransas National Wildlife Refuge and migrates to Canada for breeding; only remaining natural breeding population of this species	LE	E
Wood Stork (<i>Mycteria americana</i>) - forages in prairie ponds, flooded pastures or fields, ditches, and other shallow standing water, including salt-water; usually roosts communally in tall snags, sometimes in association with other wading birds (i.e. active heronries); breeds in Mexico and birds move into Gulf States in search of mud flats and other wetlands, even those associated with forested areas; formerly nested in Texas, but no breeding records since 1960		T
*** BIRD-RELATED ***		
Colonial waterbird nesting areas - many rookeries active annually		
*** FISHES ***		
Creek Chubsucker (<i>Erimyzon oblongus</i>) - small rivers and creeks of various types; seldom in impoundments; prefers headwaters, but seldom occurs in springs; young typically in headwater rivulets or marshes; spawns in river mouths or pools, riffles, lake outlets, upstream creeks		T
*** MAMMALS ***		
Black Bear (<i>Ursus americanus</i>) - within historical range of Louisiana Black Bear in eastern Texas, Black Bear is federally listed threatened and inhabits bottomland hardwoods and large tracts of undeveloped forested areas; in remainder of Texas, Black Bear is not federally listed and inhabits desert lowlands and high elevation forests and woodlands; dens in tree hollows, rock piles, cliff overhangs, caves, or under brush piles	T/SA; NL	T
Louisiana Black Bear (<i>Ursus americanus luteolus</i>) - possible as transient; bottomland hardwoods and large tracts of inaccessible forested areas	LT	T
Plains Spotted Skunk (<i>Spilogale putorius interrupta</i>) - catholic in habitat; open fields, prairies, croplands, fence rows, farmyards, forest edges, and woodlands; prefers wooded, brushy areas and tallgrass prairie		
Rafinesque's Big-eared Bat (<i>Corynorhinus rafinesquii</i>) - roosts in cavity trees of bottomland hardwoods, concrete culverts, and abandoned man-made structures		T
Southeastern Myotis Bat (<i>Myotis austroriparius</i>) - roosts in cavity trees of bottomland hardwoods, concrete culverts, and abandoned man-made structures		
*** REPTILES ***		
Alligator Snapping Turtle (<i>Macrochelys temminckii</i>) - deep water of rivers, canals, lakes, and oxbows; also swamps, bayous, and ponds near deep running water; sometimes enters brackish coastal waters; usually in water with mud bottom and abundant aquatic vegetation; may migrate several miles along rivers; active March-October; breeds April-October		T
Atlantic Hawksbill Sea Turtle (<i>Eretmochelys imbricata</i>) - Gulf and bay system	LE	E
Green Sea Turtle (<i>Chelonia mydas</i>) - Gulf and bay system	LT	T
Gulf Saltmarsh Snake (<i>Nerodia clarkii</i>) - saline flats, coastal bays, & brackish river mouths		
Kemp's Ridley Sea Turtle (<i>Lepidochelys kempii</i>) - Gulf and bay system	LE	E
Leatherback Sea Turtle (<i>Dermochelys coriacea</i>) - Gulf and bay system	LE	E
Loggerhead Sea Turtle (<i>Caretta caretta</i>) - Gulf and bay system	LT	T

	Federal Status	State Status
Smooth Green Snake (<i>Liochlorophis vernalis</i>) - Gulf Coastal Plain; mesic coastal shortgrass prairie vegetation; prefers dense vegetation		T
Texas Diamondback Terrapin (<i>Malaclemys terrapin littoralis</i>) - coastal marshes, tidal flats, coves, estuaries, and lagoons behind barrier beaches; brackish and salt water; burrows into mud when inactive; may venture into lowlands at high tide		
Texas Garter Snake (<i>Thamnophis sirtalis annectens</i>) - wet or moist microhabitats are conducive to the species occurrence, but is not necessarily restricted to them; hibernates underground or in or under surface cover; breeds March-August		
Texas Horned Lizard (<i>Phrynosoma cornutum</i>) - open, arid and semi-arid regions with sparse vegetation, including grass, cactus, scattered brush or scrubby trees; soil may vary in texture from sandy to rocky; burrows into soil, enters rodent burrows, or hides under rock when inactive; breeds March-September		T
Timber/Canebrake Rattlesnake (<i>Crotalus horridus</i>) - swamps, floodplains, upland pine and deciduous woodlands, riparian zones, abandoned farmland; limestone bluffs, sandy soil or black clay; prefers dense ground cover, i.e. grapevines or palmetto		T

***** VASCULAR PLANTS *****

Coastal gay-feather (<i>Liatris bracteata</i>) - endemic; black clay soils of prairie remnants; flowering in fall		
Houston daisy (<i>Rayjacksonia aurea</i>) - endemic; seasonally wet, saline barren areas, around the base of mima mounds in coastal prairies, or barren to somewhat vegetated openings in grasslands, including pastures and roadsides, on loamy to sandy loam soils; flowering October-November		
Texas meadow-rue (<i>Thalictrum texanum</i>) - endemic; mesic woodlands or forests, including wet ditches on partially shaded roadsides; flowering March-May		
Texas prairie dawn (<i>Hymenoxys texana</i>) - endemic; in poorly drained depressions or base of mima mounds in open grasslands or almost barren areas on slightly saline soils; flowering March-early April	LE	E
Texas windmill-grass (<i>Chloris texensis</i>) - endemic; sandy to sandy loam soils in open to sometimes barren areas in prairies and grasslands, including ditches and roadsides; flowering in fall		
Threeflower broomweed (<i>Thurovia triflora</i>) - endemic; black clay soils of remnant grasslands, also tidal flats; flowering July-November		

Status Key:

LE,LT - Federally Listed Endangered/Threatened

PE,PT - Federally Proposed Endangered/Threatened

E/SA,T/SA - Federally Endangered/Threatened by Similarity of Appearance

C1 - Federal Candidate, Category 1; information supports proposing to list as endangered/threatened

DL,PDL - Federally Delisted/Proposed for Delisting

NL - Not Federally Listed

E,T - State Endangered/Threatened

"blank" - Rare, but with no regulatory listing status

Species appearing on these lists do not all share the same probability of occurrence. Some species are migrants or wintering residents only, or may be historic or considered extirpated.



Photo 1 View of the site from the northeast.



Photo 2 View of the west property boundary (along Fairbanks N. Houston) to the north.



Photo 3 View of the west property boundary (along Fairbanks N. Houston) to the south.



Photo 4 View of the north property boundary to the east.



Photo 5 View of the north property boundary to the west.



Photo 6 View of the east property boundary to the north.



Photo 7 View of the east property boundary to the south.



Photo 8 View of the south property boundary to the east.



Photo 9 View of the south property boundary to the west.



Photo 10 View of the area of ponded water on the southeastern portion of the site.



Photo 11 View of the site from the southwest corner of the property.



Photo 12 View of the site from the western property boundary.



Photo 13 Additional view of the site from the western property boundary.



Photo 14 View within the western portion of the site.



Photo 15 View within the western portion of the site.



Photo 16 View within the central portion of the site.

February 1, 2005

MMA Financial, LLC
900 17th Street, Suite 350
Washington DC 20006

Attn: Mr. George Currall
202-777-0905
222-466-5273 fax

Re: Wetland Screening/Jurisdictional Assessment
Proposed Rolling Creek Apartments
NEC Fairbanks N. Houston and Tami Renee Lane
Houston, Harris County, Texas
Project No. 92047606C

Dear Mr. Currall:

HBC/Terracon (Terracon) appreciates the opportunity to submit this Wetland Screening for the above-referenced property. The objective of this screening is to provide a preliminary opinion regarding the presence of apparent jurisdictional Waters of the U.S. (WoUS), including potential wetlands, in connection with the property, and their approximate location and estimated size. This scope of services includes a resource review, field assessment, and jurisdictional evaluation.

Site Description

The site is located at the northeast corner of Fairbanks N. Houston Road and Tami Renee Lane in Houston, Harris County, Texas. The site consists of approximate 23.5-acres of undeveloped, heavily vegetated land. The southeastern portion of the site was under several inches of water at the time of the field reconnaissance. Several ponded areas were observed throughout the property.

Resource Review

Resources, including USDA Natural Resources Conservation Service (NRCS) county soil survey, aerial photographs, topographic map, Federal Emergency Management Agency (FEMA) Flood Insurance Rate Map, and Department of the Interior (DOI) National Wetland Inventory (NWI) Map, were reviewed to identify mapped soil types, historical conditions, water bodies, flood plain designations, and previously classified WoUS.

Topographic Maps

Review of the USGS Topographic Map of Satsuma, Texas (1995) identified the site as vacant, undeveloped land with three ponded areas on the eastern portion.

National Wetland Inventory Map

Review of the USFWS National Wetlands Inventory (NWI) Map of Satsuma, Texas 1999 indicates five historically documented wetland areas on the site. Two areas of Palustrine, Forested, Broad-leaved Deciduous, Temporarily flooded wetlands are indicated on the central and eastern portions of the site. A small area identified as Palustrine, Unconsolidated bottom, Semipermanently flooded, Excavated wetland is indicated on the eastern portion of the site. An area of Palustrine, Forested, Broad-leaved Deciduous, Seasonally flooded wetland is indicated on the southeastern corner of the site. Additionally, an area of Palustrine, Scrub-shrub, Broad-leaved Deciduous, Seasonally flooded wetland is indicated along the northern site boundary in the central portion of the site.

Soil Survey

Review of the Harris County Soil Survey (1976) identified Gessner loam as the soil mapped on the site. Gessner loam meets the criteria to be listed on the list of Hydric Soils of Texas (Region 6).

Flood Insurance Rate Map

Review of the FEMA Flood Insurance Rate Maps (FIRM), FIRM Map 48201C0445 K (April 20, 2000), indicates the site lies in Zone X (unshaded), outside the 100-year and 500-year floodplain.

Aerial Photographs

Review of a 1995 color infrared aerial photograph of the site indicated vacant, undeveloped land with three apparent depressional areas located in the eastern and central portion of the site. Additionally, a small depressional area is located on the western portion of the site.

Field Reconnaissance

Mr. Jon D. Stephens performed the site reconnaissance on January 24, 2005. The objective of the field reconnaissance was to evaluate the presence of the three wetland criteria on the site. This study was conducted based on current federal criteria for identifying Waters of the U.S. as outlined in the 1987 Manual. For an area to be deemed a wetland it must meet all of the following criteria: more than 50 percent of the dominant plant species must be considered hydrophytic, soils must be hydric, and wetland hydrology must be present.

Vegetation

Vegetation is classified as to the percentage of occurrence within a wetland setting (i.e. upland versus wetland). Obligate wetland plants (OBL) occur in wetlands approximately 99% of the time, facultative wetland plants (FACW) occur in wetlands approximately 67-99% of the time, facultative plants (FAC) occur in wetlands approximately 34-66% of the time, facultative upland plants (FACU) occur in wetlands approximately 1-33% of the time, and upland plants (UPL) occur in wetlands less than 1% of the time. Species designated as Not Indicated (NI) have not been assigned a wetland indicator designation. These indicator designations are further qualified with a plus or minus sign

(+/-) to denote that some species occur more or less frequently in wetland conditions.

The vegetative communities found within the survey site were generally classified using artificial keys, including Aquatic and Wetland Plants of the Southeastern United States, (Godfrey and Wooten 1993), Field Guide to the Grasses, Sedges and Rushes of the United States (Knobel 1980) and Manual of the Grasses of the United States (A.S. Hitchcock 1971).

Based on site reconnaissance, the site consists of two primary habitat types: wooded habitat on the western and central portions of the site; and emergent marsh on the southeastern portion of the site. The locations of these habitats are shown on Figure 2. The wooded habitat on the western and central portions of the site exhibited characteristics of uplands and wetlands in various areas. Based on the types of habitat encountered during the site reconnaissance, an apparent upland plot (pit 1) was established in the western portion of the site and an apparent wetland plot (pit 2) was established in the central portion of the site. An additional apparent wetland plot (pit 3) was established in the southeastern corner of the site in the emergent marsh habitat. The location of these plots are indicated on the Site Plan (Figure 2).

The dominant vegetative species observed in the area of sample pit 1 located on the western portion of the site included: Chinese Tallow (*Sapium sebiferum*) FAC, Chinese Privet (*Ligustrum sinense*) UPL, Winged Elm (*Ulmus alata*) FACU, Giant Ragweed (*Ambrosia trifida*) FAC, and Tall Goldenrod (*Solidago altissima*) FACU. The vegetative community located in the area of pit 1 did not satisfy the criteria to be classified as hydrophytic.

The dominant vegetative species observed in the area of sample pit 2 located on the central portion of the site included: Chinese Tallow (*Sapium sebiferum*) FAC, Sweetgum (*Liquidambar styraciflua*) FAC, Supplejack (*Berchemia scandens*) FAC+, and Bushy broom grass (*Andropogon glomeratus*) FACW+.

The dominant vegetative species observed in the area of sample pit 3 located on the western portion of the site included: Chinese Tallow (*Sapium sebiferum*) FAC, Black Willow (*Salix nigra*) OBL, Beaked Spikerush (*Eleocharis rostellaa*) OBL, Brushy broom sedge (*Andropogon glomeratus*) FACW+, and Road Grass (*Eleocharis baldwinii*) FACW.

The vegetative communities located on the central and eastern portions of the site in the area of sample pits 2 and 3 generally satisfy the criteria to be classified as hydrophytic in nature.

Hydrology

Hydrology was determined using general indicating methods from the 1987 Manual. These methods depend upon field indicators from the soil analysis conducted during the determination. The methods depend on field observations such as depth of surface water, depth to free water in the soil pit or depth to saturated soil in the pit. Also primary and secondary indicators, which soils with hydric characteristics will exhibit, are used to determine if wetland hydrology is present.

During field reconnaissance, evidence of wetland hydrology (e.g., inundated and/or saturated conditions) was not observed in the vicinity of sample pit 1 on the western portion of the site. However, the soils in the inundated areas of sample pit 2 and 3 exhibited inundated conditions and/or were saturated in the upper 12 inches of the soil. These areas also exhibited water marks on the emergent vegetation. The areas passed the FAC-Neutral test with more than 50% of dominant species listed as FAC, FACW, or OBL and oxidized root channels were observed in the

upper 12 inches of the soils. Primary and secondary indicators meet the wetlands hydrology criteria; therefore, the area surrounding sample pits 2 and 3 appear to satisfy the hydrology criteria for wetlands.

Soils

Soil pits were dug at selected locations on the site to a depth of 18 inches, and a soil profile was developed at each location using the Munsell Moist Matrix Color Method. The resulting profile was then compared to the mapped soil types listed in the United States Department of Agriculture Soil Survey of Harris County, Texas that depicts Gessner loam as the soil mapped on the site.

Soils observed at sample pit 1 matched the soil survey data for a Gessner loam. The soils observed in sample pit 1 matched the soil survey data with a Munsell Moist Matrix Color of 10 YR 4/2 in the Ap horizon (0 to 7 inches), 10 YR 5/2 in the A2g horizon (7 to 16 inches) and 10 YR 4/1 in the Bg & Ag horizon. Although the colors of the soil in the area of sample pit 1 were low chroma, no other indications of hydric conditions were observed in this area.

Soils observed at sampled pits 2 and 3 matched the mapped soil survey data for a Gessner loam. The soils in these areas exhibited indications of hydric conditions such as a sulfidic odor, an aquic moisture regime reducing conditions (positive alpha, alpha'-Dipyridyl test) and concretions. The soils in the vicinity of sample pits 2 and 3 satisfy the criteria to be classified as hydric.

Wetland Screening Summary

Based on the field reconnaissance and resource review, wetland areas comprising approximately 4.5 to 6 acres in the areas of sample pits 2 and 3 appear to meet the three criteria established in the 1987 Manual for wetlands.

Jurisdictional Evaluation

Based on the field reconnaissance, it is Terracon's opinion that portions of the site appear to satisfy the criteria for wetlands. For an area to be classified as jurisdictional WoUS, the area must fall into one of the following criteria:

- (A) *All waters which are currently used, or were used in the past, or may be susceptible to use in interstate or foreign commerce, including all waters which are subject to the ebb and flow of the tide;*
- (B) *All interstate waters including interstate wetlands;*
- (C) *All other waters such as interstate lakes, rivers, streams (including intermittent streams), mudflats, sandflats, wetlands, sloughs, prairie potholes, wet meadows, playa lakes, or natural ponds, the use, degradation or destruction of which could affect interstate or foreign commerce including any such waters: Which are or could be used by interstate or foreign travelers for recreational or other purposes; or from which fish or shellfish are or could be taken and sold in interstate or foreign commerce; or which are used or could be used for industrial purpose by industries in interstate commerce;*
- (D) *All impoundments of waters otherwise defined as WoUS under the definition;*
- (E) *Tributaries of waters identified in paragraphs A-D of this section;*
- (F) *The territorial seas;*
- (G) *Wetlands adjacent to waters (other than waters that are themselves wetlands)*

identified in paragraphs A-F of this section.

Based on Terracon's research review and field reconnaissance, areas of wetlands appear to be present on the central and eastern portions of the site at and around sample pits 2 and 3. A rough approximation of the wetland areas for the site would be 4.5 to 6 acres. A Wetland Delineation performed under the 1987 Manual would be required to refine the above estimate of the location and size of on-site wetland areas.

However, based upon the following findings identified during the resource review and site reconnaissance, Terracon has not identified any readily visible or apparent surface connection between the wetlands identified on the site to WoUS:

- 1) Review of the National Flood Insurance Program Maps Firm 48201C0445 K (April 20, 2000) indicates that the site does not lie within the 100-year or 500-year floodplain.
- 2) Site reconnaissance did not identify a visible surface connection of the wetland areas on-site to features that would be considered WoUS.
- 3) The closest apparent jurisdictional WoUS to the site is an unnamed tributary to Whiteoak Bayou located approximately 1,200 feet south of the western corner of the site. Terracon did not identify an apparent surface connection to this jurisdictional body during the resource review or the site reconnaissance.

Conclusions and Recommendations

It is the opinion of Terracon that the apparent wetland areas located on the site (areas surrounding sample pits 2 and 3) are not connected to features that would be considered WoUS, are isolated and would not likely be considered under the jurisdiction of the United States Army Corps of Engineers (USACE). Terracon recommends that the findings of this Wetlands Screening be submitted to the USACE for their concurrence.

Reliance

This Wetlands Screening report has been prepared for the exclusive use and reliance of Cynosure Development, LLC and MMA Financial, LLC. Use or reliance by any other party is prohibited without the written authorization of MMA Financial, LLC and Terracon.

Reliance on the Wetlands Screening by the client and all authorized parties will be subject to the terms, conditions and limitations stated in the proposal, ESA report, and Terracon's Agreement for Services. The limitation of liability defined in the Agreement for Services is the aggregate limit of Terracon's liability to the client and all relying parties.

Limitations

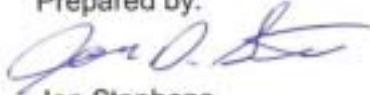
This scope of work is intended to provide the client with preliminary information that might assist them in evaluating apparent wetland conditions at the site. It should be noted this scope of work does not constitute a wetlands determination or delineation, and does not complete all requirements for identifying WoUS as outlined in Technical Report Y-87-1, otherwise known as the Corps of Engineers Wetlands Delineation Manual. The USACE is the *final authority* in making the jurisdictional (final) determination, and would typically require that a complete wetland determination/delineation be submitted for its review if impacts to jurisdictional areas are planned.

We appreciate the opportunity to perform these services for you. Please contact us if you have questions regarding this information or if we can provide any other services.

Sincerely,

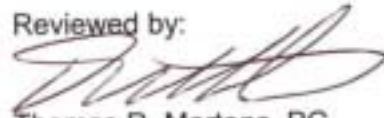
HBC/Terracon

Prepared by:



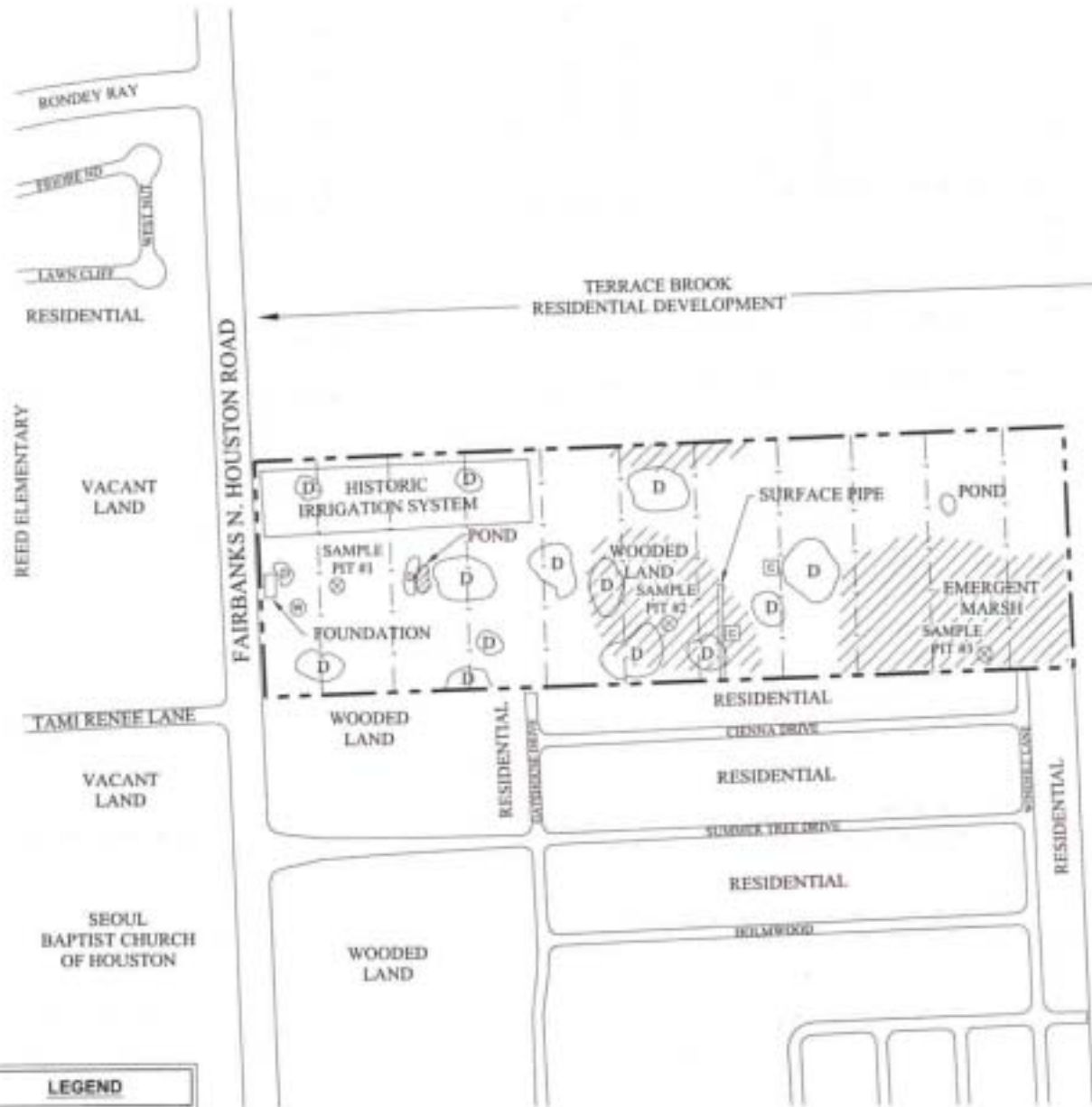
Jon Stephens
Project Biologist/Wetlands Specialist
Houston Office
jdstephens@terracon.com

Reviewed by:



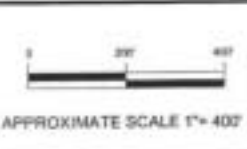
Thomas R. Martens, PG
Manager Environmental Services
Houston Office
trmartens@terracon.com

Attachment: USGS Site Vicinity Map
Site Plan
National Wetlands Inventory Map
Soil Survey Map
Flood Insurance Rate Map
Color Infrared Aerial Photograph
Site Photographs



LEGEND	
--- --	SITE BOUNDARY
— T —	SURVEYOR TRANSECTS
⊞	CAR
⊙	DEBRIS
⊕	APPARENT WATER WELL
⊗	APPARENT WETLAND AREA

NOTE: TRASH AND DEBRIS EXISTS THROUGHOUT THE SITE WHICH MAY NOT BE SPECIFICALLY IDENTIFIED ON THE SITE PLAN.

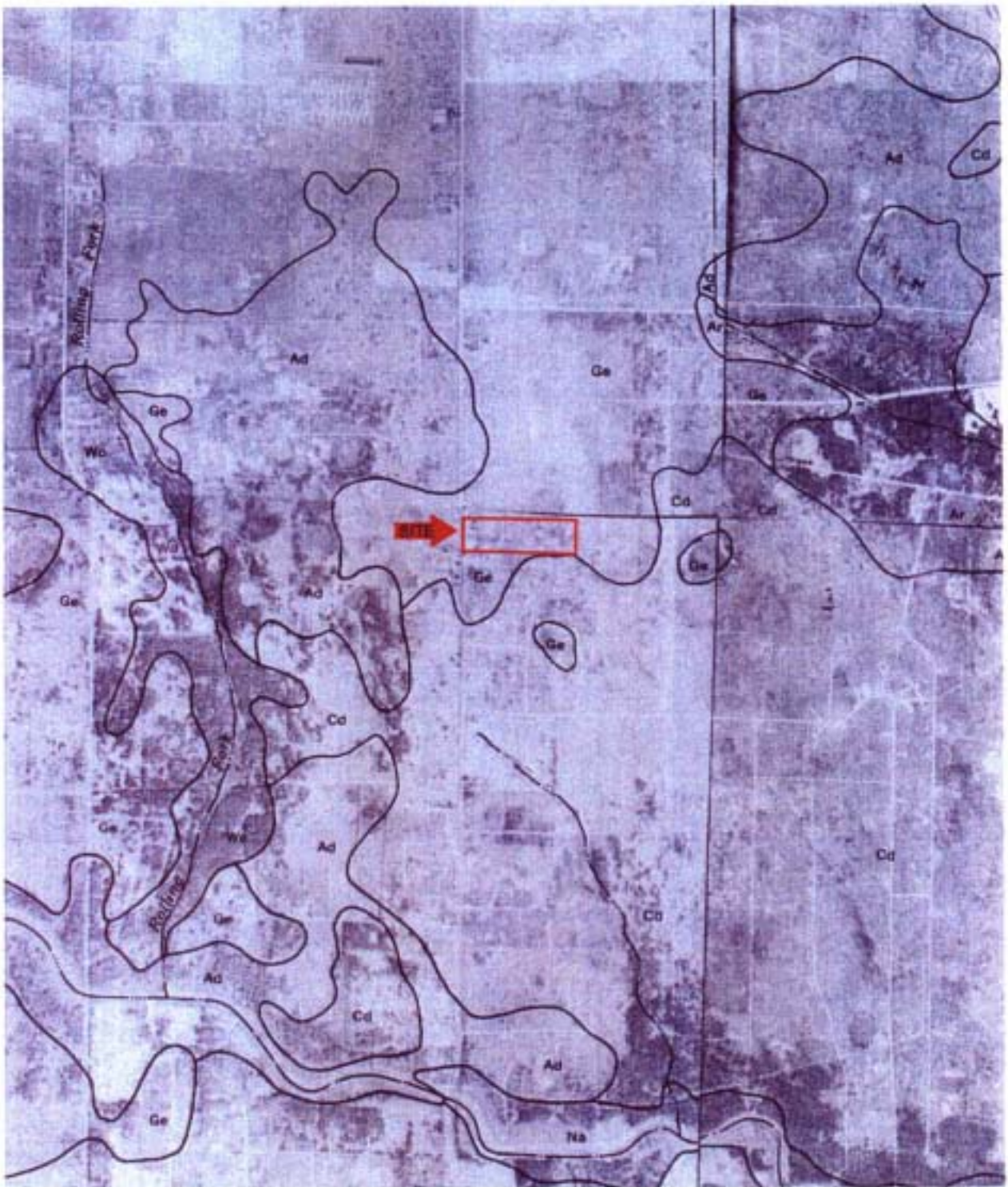


HBC
Terracon
 Consulting Engineers & Scientists
 HBC/TERRACON NO: 92047606A

DRAWN BY:	REF
CHECKED BY:	JSS
SCALE:	AS SHOWN
DATE:	1-4-06

FIGURE 2
SITE PLAN
 PROPOSED ROLLING CREEK APARTMENTS
 NEC FAIRBANKS N. HOUSTON & TAMI RENEE LN.
 HOUSTON, TEXAS

DWG. No. 92047606A_site plan



SOIL SURVEY MAP
Harris County, Texas



Revised: 1976
APPROXIMATE SCALE 1" = 1590'



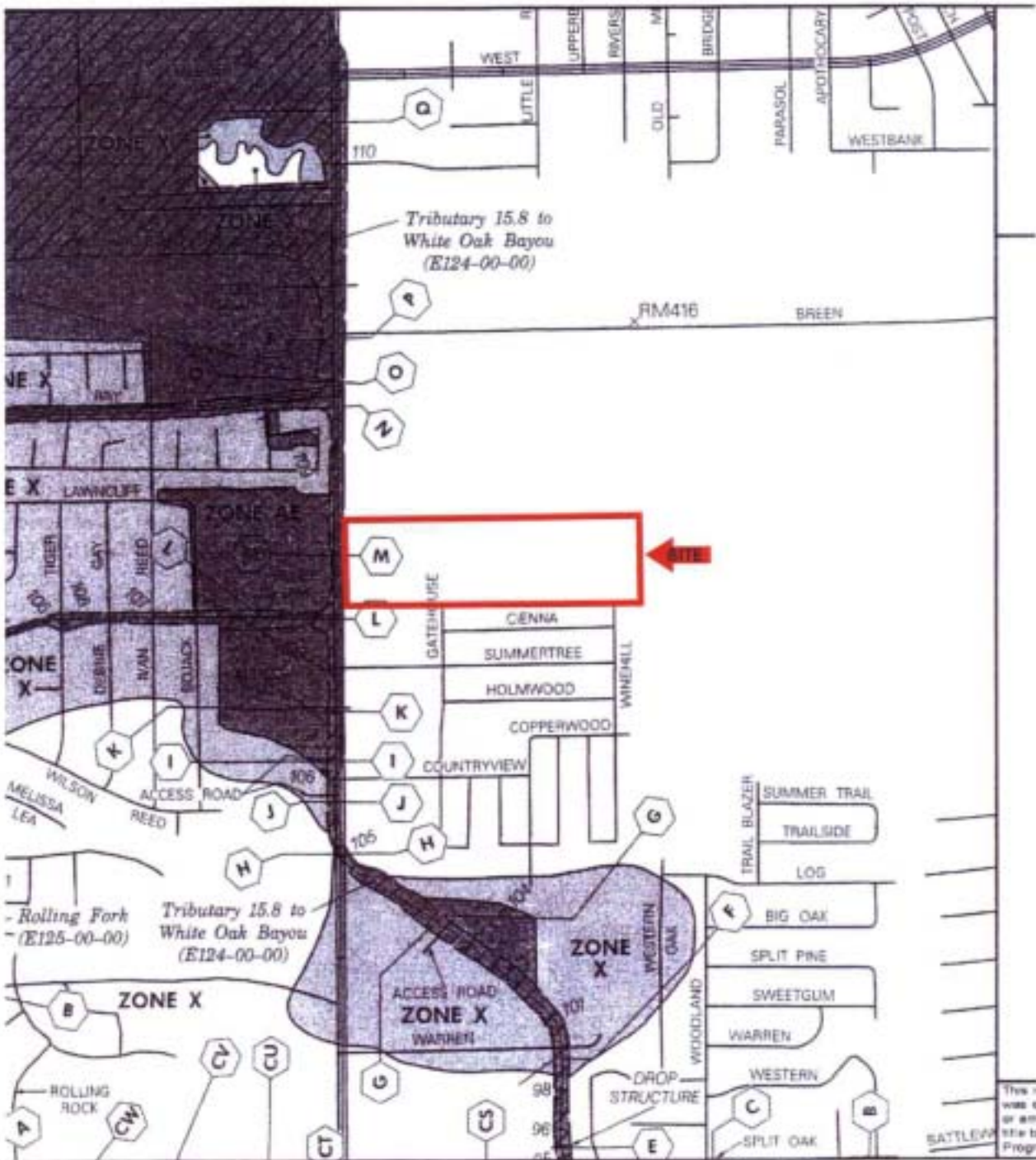
Prepared By: _____ REF _____
Approved By: _____ JSS _____



PROPOSED ROLLING CREEK APARTMENTS
NEC FAIRBANKS N. HOUSTON & TAMI RENEE LN.
HOUSTON, TEXAS

HBC PROJECT NO. 92047606C

FIGURE 4:
SOIL SURVEY MAP



FLOOD INSURANCE RATE MAP

Harris County, Texas



Revised Date: April 20, 2000
Map No: 48201C0445 K

APPROXIMATE SCALE 1" = 1000'



Prepared By: REF

Approved By: JSS



PROPOSED ROLLING CREEK APARTMENTS
NEC FAIRBANKS N. HOUSTON & TAMI RENEE LN.
HOUSTON, TEXAS

HBC PROJECT NO. 92047606C

FIGURE 5:
FLOOD INSURANCE RATE MAP



Date: 1995

Source: USGS
Photo ID No: N/A

APPROXIMATE SCALE 1"= 500'



Prepared By: _____ REF _____

Approved By: _____ JSS _____



PROPOSED ROLLING CREEK APARTMENTS
NEC FAIRBANKS N. HOUSTON & TAMI RENEE LN.
HOUSTON, TEXAS

HBC PROJECT NO. 92047606C

AERIAL PHOTOGRAPH



Photo 1 Typical view of the emergent wetland area located at the southeastern corner of the site.



Photo 2 Typical view of the central portion of the site.



Photo 3 Typical view of the southeastern portion of the site.



Photo 4 Typical view of the heavily vegetated nature of the western portion of the site.



Photo 5 View of the upland portion of the site.



Photo 6 Typical view of the central portion of the site.



Mr. George Currall
MMA Financial, LLC
900 17th Street, Suite 350
Washington DC 20006

Terracon Consultants, Inc.
11555 Clay Road, Suite 100
Houston, Texas 77043
Phone 713.690.8989
Fax 713.690.8787
www.terracon.com

Telephone: (202) 777-0905
Fax: (222) 466-5273

Re: Wetland Screening/Jurisdictional Assessment
Proposed Rolling Creek Apartments
NEC Fairbanks N. Houston and Tami Renee Lane
Houston, Harris County, Texas
Project No. 92047606C

Dear Mr. Currall:

Attached is the response we received from the United States Army Corps of Engineers, Galveston Office regarding the jurisdictional evaluation request that HBC/Terracon submitted on your behalf. The USACE has responded:

"Based on a desk review of the information you submitted, U.S.G.S. Topographic Map, Digital Orthophoto Quarter-Quadrangle, Flood Insurance Rate Map for Harris County and the National Wetland Inventory Map, we conclude that there does not appear to be any waters of the United States located on the 23.5 acres tract. Therefore, the discharge of dredged or fill material on the property, as shown by the boundaries submitted with the request, does not appear to be subject to Section 404 of the Clean Water Act and may not require a Department of the Army permit. Therefore, the discharge of dredged or fill material on the property, as shown by the boundaries submitted with the request, is not subject to Section 404 of the Clean Water Act and does not require a Department of the Army permit

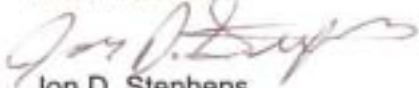
This determination has been conducted to identify the limits of the Corps Clean Water Act jurisdiction for the particular site identified in this request. This determination may not be valid for wetland conservation provisions of the Food Security Act of 1985, as amended if you or your tenant are USDA program participants, or anticipate participation in USDA programs, you should request a certified wetland determination from the local office of the Natural Resources Conservation Service prior to starting work.

This preliminary jurisdictional determination is valid for 5 years from the date of this letter, unless new information warrants a revision prior to the expiration date."

HBC/Terracon (Terracon) appreciates the opportunity to perform these services for you. Please contact us if we can be of further assistance to you or if we can provide additional services.

Sincerely,

HBC/Terracon



Jon D. Stephens
Project Manager
Natural Resource Services
Houston Office

Attachments: Response letter from the USACE

cc: Mr. Daniel Sereni
Cynosure Developers
5430 Holly Road, Suite 8
Corpus Christi, TX 78411

REC'D APR 25 2005



DEPARTMENT OF THE ARMY
GALVESTON DISTRICT, CORPS OF ENGINEERS
P. O. BOX 1229
GALVESTON TX 77553-1229

April 15, 2005

Compliance Section

SUBJECT: D-16972; MMA Financial, Jurisdictional Determination, Corner of Fairbanks N. Houston Road and Tami Renee Lane in Houston, Harris County, Texas

Mr. Jon Stephens
Project Biologist/Wetlands Specialist
Houston Office
HBC Terracon
11555 Clay Road, Suite 100
Houston, Texas 77043

Dear Mr. Stephens:

This concerns your request for a jurisdictional determination on behalf of MMA Financial, for the proposed 23.5-acre development. The project area is located on the corner of Fairbanks N. Houston Road and Tami Renee Lane in Houston, Harris County, Texas.

Based on a desk review of the information you submitted, U.S.G.S. Topographic Map, Digital Orthophoto Quarter-Quadrangle, Flood Insurance Rate Map for Harris County and the National Wetland Inventory Map, we conclude that there does not appear to be any waters of the United States located on the 23.5 acres tract. Therefore, the discharge of dredged or fill material on the property, as shown by the boundaries submitted with the request, does not appear to be subject to Section 404 of the Clean Water Act and may not require a Department of the Army permit. Therefore, the discharge of dredged or fill material on the property, as shown by the boundaries submitted with the request, is not subject to Section 404 of the Clean Water Act and does not require a Department of the Army permit.

This determination has been conducted to identify the limits of the Corps Clean Water Act jurisdiction for the particular site identified in this request. This determination may not be valid for wetland conservation provisions of the Food Security Act of 1985, as amended. If you or your tenant are USDA program participants, or anticipate participation in USDA programs, you should request a certified wetland determination from the local office of the Natural Resources Conservation Service prior to starting work.

This preliminary jurisdictional determination is valid for 5 years from the date of this letter, unless new information warrants a revision prior to the expiration date. Please see the enclosed sheets regarding the administrative appeal process for jurisdictional determinations. If you have

any questions concerning this matter, please reference file number **D-16972** and contact Mr. Jayson M. Hudson at the letterhead address or by telephone at 409-766-3108 or email at jayson.m.hudson@swg02.usace.army.mil.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Davidson", written in a cursive style.

John Davidson
Leader, North Compliance Unit

Enclosures

**NOTIFICATION OF ADMINISTRATIVE APPEAL OPTIONS AND PROCESS AND
REQUEST FOR APPEAL**

Applicant: **MMA Financial, LLC**
Agent: **HBC/Terracon**

File Number: **D-16972**

Date: **04-15-05**

Attached is:

See Section below

	INITIAL PROFFERED PERMIT (Standard Permit or Letter of Permission)	A
	PROFFERED PERMIT (Standard Permit or Letter of Permission)	B
	PERMIT DENIAL	C
	APPROVED JURISDICTIONAL DETERMINATION	D
X	PRELIMINARY JURISDICTIONAL DETERMINATION	E

SECTION I - The following identifies your rights and options regarding an administrative appeal of the above decision. Additional information may be found at <http://www.usace.army.mil/inet/functions/cw/cecwo/reg/> or Corps regulations at 33 CFR Part 331.

A: INITIAL PROFFERED PERMIT: You may accept or object to the permit.

- **ACCEPT:** If you received a Standard Permit, you may sign the permit document and return it to the district engineer for final authorization. If you received a Letter of Permission (LOP), you may accept the LOP and your work is authorized. Your signature on the Standard Permit or acceptance of the LOP means that you accept the permit in its entirety, and waive all rights to appeal the permit, including its terms and conditions, and approved jurisdictional determinations associated with the permit.
- **OBJECT:** If you object to the permit (Standard or LOP) because of certain terms and conditions therein, you may request that the permit be modified accordingly. You must complete Section II of this form and return the form to the district engineer. Your objections must be received by the district engineer within 60 days of the date of this notice, or you will forfeit your right to appeal the permit in the future. Upon receipt of your letter, the district engineer will evaluate your objections and may: (a) modify the permit to address all of your concerns, (b) modify the permit to address some of your objections, or (c) not modify the permit having determined that the permit should be issued as previously written. After evaluating your objections, the district engineer will send you a proffered permit for your reconsideration, as indicated in Section B below.

B: PROFFERED PERMIT: You may accept or appeal the permit

- **ACCEPT:** If you received a Standard Permit, you may sign the permit document and return it to the district engineer for final authorization. If you received a Letter of Permission (LOP), you may accept the LOP and your work is authorized. Your signature on the Standard Permit or acceptance of the LOP means that you accept the permit in its entirety, and waive all rights to appeal the permit, including its terms and conditions, and approved jurisdictional determinations associated with the permit.
- **APPEAL:** If you choose to decline the proffered permit (Standard or LOP) because of certain terms and conditions therein, you may appeal the declined permit under the Corps of Engineers Administrative Appeal Process by completing Section II of this form and sending the form to the division engineer. This form must be received by the division engineer within 60 days of the date of this notice.

C: PERMIT DENIAL: You may appeal the denial of a permit under the Corps of Engineers Administrative Appeal Process by completing Section II of this form and sending the form to the division engineer. This form must be received by the division engineer within 60 days of the date of this notice.

D: APPROVED JURISDICTIONAL DETERMINATION: You may accept or appeal the approved jurisdictional determination (JD) or provide new information.

- **ACCEPT:** You do not need to notify the Corps to accept an approved JD. Failure to notify the Corps within 60 days of the date of this notice, means that you accept the approved JD in its entirety, and waive all rights to appeal the approved JD.
- **APPEAL:** If you disagree with the approved JD, you may appeal the approved JD under the Corps of Engineers Administrative Appeal Process by completing Section II of this form and sending the form to the division engineer. This form must be received by the division engineer within 60 days of the date of this notice.

E: PRELIMINARY JURISDICTIONAL DETERMINATION: You do not need to respond to the Corps regarding the preliminary JD. The preliminary JD is not appealable. If you wish, you may request an approved JD (which may be appealed), by contacting the Corps district for further instruction. Also you may provide new information for further consideration by the Corps to reevaluate the JD.

SECTION II - REQUEST FOR APPEAL or OBJECTIONS TO AN INITIAL PROFFERED PERMIT

REASONS FOR APPEAL OR OBJECTIONS: (Describe your reasons for appealing the decision or your objections to an initial proffered permit in clear concise statements. You may attach additional information to this form to clarify where your reasons or objections are addressed in the administrative record.)

ADDITIONAL INFORMATION: The appeal is limited to a review of the administrative record, the Corps memorandum for the record of the appeal conference or meeting, and any supplemental information that the review officer has determined is needed to clarify the administrative record. Neither the appellant nor the Corps may add new information or analyses to the record. However, you may provide additional information to clarify the location of information that is already in the administrative record.

POINT OF CONTACT FOR QUESTIONS OR INFORMATION:

If you have questions regarding this decision and/or the appeal process you may contact:

Mr. Jayson M. Hudson
Project Manager, Compliance Section
U.S. Army Corps of Engineers
P.O. Box 1229
Galveston, Texas 77553-1229
409-766-3108

If you only have questions regarding the appeal process you may also contact:

Mr. James Gilmore
Appeal Review Officer, CESWD-ETO-R
U.S. Army Corps of Engineers
1100 Commerce Street, Room 8E9
Dallas, Texas 75242-0216
Telephone: 496-487-7061; FAX: 469-487-7190

RIGHT OF ENTRY: Your signature below grants the right of entry to Corps of Engineers personnel, and any government consultants, to conduct investigations of the project site during the course of the appeal process. You will be provided a 15-day notice of any site investigation, and will have the opportunity to participate in all site investigations.

Signature of appellant or authorized agent.	Date:	Telephone number:
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