NEW HOPE HOUSING
DALE CARNEGIE
18137

2018
9% Low Income Housing Tax Credits
Application
Texas Department of Housing and Community Affairs

Submitted March 1, 2018
2018 Multifamily Uniform Application

NOTICE: For Applicants planning to submit an Application on or before January 26, 2018, ANYTHING that would have been due on March 1, 2018 will be due on January 26, 2018. Anything due after March 1, 2018 maintains its original due date.
Development Name: New Hope Housing Dale Carnegie

The undersigned hereby makes an Application to Texas Department of Housing and Community Affairs. The Applicant affirms that they have read and understand the Uniform Multifamily Rules (Title 10, Texas Administrative Code, Chapter 10) and Qualified Allocation Plan (Title 10, Texas Administrative Code, Chapter 11). Specifically, the undersigned understands the requirements under 10 TAC §10.101 of the Uniform Multifamily Rules, Site and Development Requirements and Restrictions, as well as Internal Revenue Code Section 42. By signing this document, Applicant is affirming that all statements and representations made in this certification and application, including all supporting materials, are true and correct under penalty of law, including Chapter 37 of the Texas Penal Code titled Perjury and Other Falsification and subject to criminal penalties as defined by the State of Texas. Applicant is also affirming understanding of §10.2(e) of the Uniform Multifamily Rules, relating to Public Information Requests, specifically that the filing of an Application with Department is deemed as consent to release any and all information contained therein.

The undersigned further certifies that he/she has the authority to execute this certification.

Dale Carnegie SRO, Ltd.

Applicant Entity Name

By:

Signature of Authorized Representative

Joy Horak-Brown

Printed Name

President & CEO

Title

2/28/2018

Date

Sworn to and subscribed before me on the 28th day of February, 2018.

Joy Horak-Brown

(Personalized Seal)

Notary Public Signature

Texas

Notary Public, State of

Harris

County of

28-May-20

My Commission Expires:

28-Feb-18

Date
**Required for Tax Exempt Bond Developments only**

4% Multifamily Housing Tax Credit Program Board Meeting Selection Form  
Mailing Address: P.O. Box 13941, Austin, TX 78711-3941  
Physical Address: 221 East 11th Street, Austin, TX 78701

<table>
<thead>
<tr>
<th>Development Name:</th>
<th>New Hope Housing Dale Carnegie</th>
</tr>
</thead>
</table>

Based on the expiration date of the bonds as reflected in the Certificate of Reservation issued by the Texas Bond Review Board, the above referenced Development must be scheduled for one of the TDHCA Board meetings noted below for consideration of the issuance of a Determination Notice. Therefore, as required in §10.201(2)(B) of the Uniform Multifamily Rules, all remaining Parts of the Application, including the ESA, the Market Study, Property Condition Assessment and Appraisal, if applicable, must be submitted at least 75 days prior to the Board meeting. It is important to note that submission of the documents 75 days in advance does not ensure that your Application will be placed on the meeting agenda as requested and changes to an Application (e.g. submission of new financing terms sheets) subsequent to submission may delay completion of Department staff’s review or underwriting of the Application and presentation to the Board. Moreover, staff may choose to delay presentation to the Board in instances in which an Applicant is not reasonably expected to close within sixty (60) days of the issuance of a Determination Notice or may recommend the award be conditioned upon closing within a reasonable timeframe after Board approval. Further, the Applicant is encouraged to review §10.201(2)(B), the 2018 4% HTC and Tax Exempt Bond Process Manual and 2018 Multifamily Programs Procedures Manual for any requirements that need to be met prior to submission of the remaining Parts of the Application.

I request to be on the Board agenda selected below and pursuant to §10.201(2)(B) of the Uniform Multifamily Rules I understand that I must provide the remaining parts of the Application by the applicable corresponding deadline:

<table>
<thead>
<tr>
<th>Board Meeting Date:</th>
<th>75 Day Deadline:</th>
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</thead>
<tbody>
<tr>
<td>January 18, 2018</td>
<td>November 3, 2017</td>
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<tr>
<td>February 22, 2018</td>
<td>December 8, 2017</td>
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<tr>
<td>March 22, 2018</td>
<td>January 5, 2018</td>
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<td>April 26, 2018</td>
<td>February 9, 2018</td>
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<td>May 24, 2018</td>
<td>March 9, 2018</td>
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<td>June 28, 2018</td>
<td>April 13, 2018</td>
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<td>July 12, 2018</td>
<td>April 27, 2018</td>
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<td>July 26, 2018</td>
<td>May 11, 2018</td>
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<td>September 6, 2018</td>
<td>June 22, 2018</td>
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<td>October 11, 2018</td>
<td>July 27, 2018</td>
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<tr>
<td>November 8, 2018</td>
<td>August 24, 2018</td>
</tr>
<tr>
<td>December 6, 2018</td>
<td>September 21, 2018</td>
</tr>
</tbody>
</table>

☐ An Inducement Resolution has been approved by the Bond Issuer and a copy has been provided behind Tab 8.
The Certification, Acknowledgement, and Consent of Development Owner is included behind this tab.

**The form should be executed, notarized, and included in the full application document.**

The form for the certification will be posted to the Department's website at [http://www.tdhca.state.tx.us/multifamily/apply-for-funds.htm](http://www.tdhca.state.tx.us/multifamily/apply-for-funds.htm)

Please indicate whether any of the following required disclosure on the Certification, Acknowledgement, and Consent of Development Owner (to be used for data capture for application processing):

- §10.101(a)(2) - Undesirable Site Features
- §10.101(a)(3) - Undesirable Neighborhood Characteristics
- §10.202(1)(M) - Termination of Relationship in an Affordable Housing Transaction
- §10.901(17) - Unused Credit or Penalty Fee

Note: If any disclosures are indicated regarding §10.101(a)(3), submit the Undesirable Neighborhood Characteristics Report Packet (UNCR) located on the Department's website [http://www.tdhca.state.tx.us/multifamily/apply-for-funds.htm](http://www.tdhca.state.tx.us/multifamily/apply-for-funds.htm)
Development Owner Certification, Acknowledgement and Consent

All defined terms used in this certification and not specifically defined herein have the meanings ascribed to them in Chapter 2306 of the Tex. Gov’t Code, §42 of the Internal Revenue Code, and §10.3 of the Uniform Multifamily Rules.

The undersigned, in each and all of the following capacities in which it may serve or exist -- Applicant, Development Owner, Developer, Guarantor of any obligation of the Applicant, and/or Principal of the Applicant and hereafter referred to as “Applicant” or “Development Owner,” whether serving in one or more such capacities, is hereby submitting its Application to the Department for consideration of Department funding.

Applicant hereby represents, warrants, acknowledges and certifies to the Department and to the State of Texas 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.

This Application and all materials submitted to the Department constitute records of the Department subject to Tex. Gov’t Code, Chapter 552. This includes all Third Party reports, which will be posted in their entirety on the Department’s website, as they constitute a part of the Application. The Application is in compliance with all requirements related to the eligibility of an Applicant, Application and Development as further defined in 10 TAC §§10.101 and 10.202 of the Uniform Multifamily Rules. Any issues of non-compliance have been disclosed.

All representations, undertakings and commitments made by Applicant in the Application process for Development assistance expressly constitute conditions to any Commitment, Determination Notice, Carryover Allocation, or Direct Loan Commitment for such Development which the Department may issue or award, and the violation of any such condition shall be sufficient cause for the cancellation and rescission of such Commitment, Determination Notice, Carryover Allocation, or Direct Loan Award Letter, Commitment or Contract by the Department. To the extent allowed under Tex. Gov’t Code §2306.6720, if any such representations, undertakings and commitments concern or relate to the ongoing features or operation of the Development, they shall each and all be enforceable even if not reflected in the Land Use Restriction Agreement. All such representations, undertakings and commitments are also
enforceable by the Department and the tenants of the Development, including enforcement by administrative penalties for failure to perform, in accordance with the Land Use Restriction Agreement.

When providing a Pre-Application, Application or other materials to a state representative, local governmental body, Neighborhood Organization, or anyone else to secure support or approval that may affect the Applicant’s competitive posture, an Applicant must disclose that in accordance with the Department’s rules the aspects of the Development may not have been determined or selected or may be subject to change, such as changes in the amenities ultimately selected and provided.

The Development Owner is and will remain 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. §§3601 et seq.), the Fair Housing Amendments Act of 1988 (42 U.S.C. §§3601 et seq.), the Civil Rights Act of 1964 (42 U.S.C. §2000a et seq.), the Americans with Disabilities Act of 1990 (42 U.S.C. §§12101 et seq.), the Rehabilitation Act of 1973 (29 U.S.C. §§701 et seq.), Fair Housing Accessibility, the Texas Fair Housing Act; and the Development is designed consistent with the Fair Housing Act Design Manual produced by HUD, and the Texas Accessibility Standards. (§2306.257; §2306.6705(7))

The Development Owner has read and understands the Department’s fair housing educational materials posted on the Department’s website as of the beginning of the Application Acceptance Period.

All Applications proposing Rehabilitation (including Reconstruction) will be treated as substantial alteration, in accordance with 10 TAC Chapter 1, Subchapter B.

The Development Owner will establish a reserve account consistent with Tex. Gov’t Code §2306.186, and as further described in §10.404 of the Uniform Multifamily Rules, relating to Replacement Reserve Account requirements.

The Development will operate in accordance with the applicable compliance monitoring requirements found in Chapter 10, Subchapter F.

The Development Owner agrees to implement a plan to use Historically Underutilized Businesses (HUB) in the development process consistent with the Historically Underutilized Business Guidelines for contracting with the State of Texas. The Development Owner will be required to submit a report of the success of the plan as part of the cost certification documentation, in order to receive IRS Forms 8609 or, if the Development does not have Housing Tax Credits, release of retainage.
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 as further described in Tex. Gov’t Code §2306.6734.

The Development Owner will specifically market to veterans through direct marketing or contracts with veteran's organizations. The Development Owner will be required to identify how they will specifically market to veterans and report to the Department in the annual housing report on the results of the marketing efforts to veterans. Exceptions to this requirement must be approved by the Department.

**Accessibility Requirements**

The Development Owner understands that in accordance with Section 504 of the Rehabilitation Act of 1973 and implemented at 24 C.F.R. Part 8, if the Development includes the New Construction or substantial rehabilitation of multifamily units (4 or more units per building), at least five percent (5%) of all dwelling units will be designed and built to be accessible for persons with mobility impairments. A unit that is on an accessible route and is adaptable and otherwise compliant with the 2010 ADA Standards with the exceptions listed in “Nondiscrimination on the Basis of Disability in Federally Assisted Programs and Activities” (Federal Register 79 FR 29671) meets this requirement. In addition, at least two percent (2%) of all dwelling units will be designed and built to be accessible for persons with hearing or vision impairments.

The Development Owner understands that regardless of building type, all Units accessed by the ground floor or by elevator (“affected units”) must meet the requirements at 10 TAC §10.101(b)(8)(B).

The Development Owner certifies that all accessible Units under 10 TAC Chapter 1, Subchapter B, will be dispersed throughout the Development.

The Development Owner certifies that representations made in the Architect Certification are true and correct, and understands that the Department evaluation of architectural drawings may not include an assessment of accessibility. The Development Owner is responsible for any modifications necessary to meet accessibility requirements identified at the final construction inspection.
Unused Credit or Penalty Fee (select one box as applicable)

____ The Applicant returned a full credit allocation after the Carryover Allocation deadline required for that allocation and is subject to the Unused Credit or Penalty Fee pursuant to §10.901(17) of the Uniform Multifamily Rules.

X____ The Applicant certifies that no disclosure regarding §10.901(17) of the Uniform Multifamily Rules is necessary.

Termination of Relationship in an Affordable Housing Transaction (select one box as applicable)

____ The Applicant has disclosed, in the Application, any Principal or any entity or Person in the Development ownership structure who was or is involved as a Principal in any other affordable housing transaction that has terminated, voluntarily or involuntarily, within the past 10 years or plans to or is negotiating to terminate their relationship with any other affordable housing development. The disclosure identified the person or persons and development involved, the identity of each other development and contact information for the other Principals of each such development, a narrative description of the facts and circumstances of the termination or proposed termination, and any appropriate supporting documents. The Applicant has read and understands §10.202(1)(M) of the Uniform Multifamily Rules related to such disclosure.

X____ The Applicant certifies that no disclosure regarding §10.202(1)(M) of the Uniform Multifamily Rules is necessary.

The Applicant certifies that, for any Development proposing New Construction or Reconstruction and located within the one-hundred (100) year floodplain as identified by the Federal Emergency Management Agency (FEMA) Flood Insurance Rate Maps, the Development Site will be developed in full compliance with the National Flood Protection Act and all applicable federal and state statutory and regulatory requirements so that all finished ground floor elevations are at least one foot above the floodplain and parking and drive areas are no lower than six inches below the floodplain, subject to more stringent local requirements. The Applicant certifies that, floodplain maps will be used and the Development Site will comply with regulations as they exist at the time of commencement of construction. Applicant further certifies that, for any Development proposing Rehabilitation (excluding Reconstruction) that is not a HUD or TRDO-USDA assisted property, the Development Site is not located in the one-hundred year floodplain unless the existing structures already meet the requirements for New Construction or Reconstruction, as certified to by a Third Party engineer, or unless the state or...
local government has undertaken and can substantiate sufficient mitigation efforts and such documentation is submitted in the Application.

Undesirable Site Features (select one of the boxes as applicable)

_____ The Development is not located in an area with undesirable site features as further described in §10.101(a)(2) of the Uniform Multifamily Rules.

_____ The proposed Development is Rehabilitation (excluding Reconstruction) with ongoing and existing federal assistance from HUD, USDA, or Veterans Affairs (“VA”) and an exemption was requested prior to the filing of an Application or is being requested with the Application in accordance with §10.101(a)(2) of the Uniform Multifamily Rules.

_____ The proposed Development is Historic Preservation pursuant to §11.9(e)(6) of the QAP, is located in an area with an undesirable site feature and an exemption was requested prior to the filing of an Application or is being requested with the Application.

_____ The proposed Development is New Construction, is located in an area with an undesirable site feature and a copy of the local ordinance that regulates the proximity of such feature to a multifamily development is included in the Application.

_____ The proposed Development is located in an area with an undesirable site feature and mitigation to be considered by staff and the Board is included in the Application.

Undesirable Neighborhood Characteristics (select one of the main boxes as applicable)

_____ The Development Owner certifies that the Development is not located in an area with any of the undesirable neighborhood characteristics described in §10.101(a)(3) of the Uniform Multifamily Rules and that no disclosure is necessary;

_____ The Development Owner certifies that the Development is located in an area with the following undesirable neighborhood characteristic(s) and the Undesirable Neighborhood Characteristics Report is submitted with the Application (select all that apply):

_____ in a census tract with a poverty rate above 40% for individuals (or 55% for Developments in regions 11 and 13);

_____ in a census tract or within 1,000 feet of any census tract in an Urban Area and the rate of Part I violent crimes is greater than 18 per 1,000 persons (annually) as reported on neighborhoodscout.com;
_____ is located within 1,000 feet of a blighted or abandoned area as further described in §10.101(a)(3)(B)(iii) of the Uniform Multifamily Rules;

_____ is located in the attendance zones of an elementary, middle, or high school that does not have a 2017 Met Standard rating by the Texas Education Agency, unless the Development Site is subject to an Elderly Limitation.

The Development will include all of the mandatory Development amenities required in §10.101(b)(4) of the Uniform Multifamily Rules at no charge to all tenants (market rate and low-income) and written notice of such amenities will be provided to the tenants.

The Development will satisfy the minimum point threshold for common amenities as further described in §10.101(b)(5) of the Uniform Multifamily Rules. These amenities must be for the benefit of all tenants (market rate and low-income), meet accessibility standards, be sized appropriately to serve the proposed Target Population, be made available throughout normal business hours, and be maintained throughout the Affordability Period. The tenant must be provided written notice of the amenity elections made by the Development Owner.

The Development will meet the minimum size of Units as further described §10.101(b)(6)(A) of the Uniform Multifamily Rules.

The Development (excluding competitive Housing Tax Credit Applications) will include enough unit and development construction features to meet the minimum number of points as further described in §10.101(b)(6)(B) of the Uniform Multifamily Rules.

The Development (excluding competitive Housing Tax Credit Applications) will include enough tenant services, at no charge to the tenants, be accessible to all (market rate and low-income), and maintained throughout the Affordability Period, to meet the required minimum number of points as further described in §10.101(b)(7) of the Uniform Multifamily Rules, and offered in accordance with §10.619 of the Uniform Multifamily Rules. The tenant must be provided written notice of the elections made by the Development Owner.

If the Applicant is applying for Multifamily Direct Loan funds and the Development consists of New Construction, the Applicant further certifies that the Development meets the Construction Site Standards in 24 C.F.R §983.57(e).

If the Development has an existing LURA with the Department, the Development Owner will comply with the existing restrictions.

The Development Owner will comply with any and all notices required by the Department.
None of the criteria in subparagraphs (A) – (M) of §10.202(1) of the Uniform Multifamily Rules, related to ineligible Applicants, applies to those identified on the organizational chart for the Applicant, Developer and Guarantor.

The individual whose name is subscribed hereto, in his or her individual capacity, on behalf of Applicant, and in all other related capacities described above, as applicable, expressly represents, warrants, and certifies that all information contained in this certification and in the Application, including any and all supplements, additions, clarifications, or other materials or information submitted to the Department in connection therewith as required or deemed necessary by the materials governing the multifamily funding programs are true and correct and the Applicant has undergone sufficient investigation to affirm the validity of the statements made. Further, the Applicant hereby expressly represents, warrants, acknowledges and certifies that the individual whose name is subscribed hereto has read and understands all the information contained in this form of the Application.

By signing this document, the undersigned, in their individual capacity, on behalf of Applicant, whether formed or to be formed, and in all other related capacities described above, is affirming under penalty of Chapter 37 of the Texas Penal Code titled Perjury and Other Falsification, and subject to criminal penalties as defined by Tex. Penal Code §§37.01 et seq., and subject to any and all other state or federal laws regarding the making of false statements to governmental bodies or the providing of false information in connection with the procurement of allocations or awards, that the Application and all materials relating thereto constitute government documents and that the Application and all materials relating thereto are true, correct, and complete in all material respects.
By:

Joy Horak-Brown
Printed Name

President & CEO, New Hope Housing, Inc. & HACDC
Title

2/23/2018
Date

THE STATE OF Texas §

COUNTY OF Harris §

Before me, a notary public, on this day personally appeared Joy Horak-Brown, known to me to be the person whose name is subscribed to the foregoing document and, being by me first duly sworn, declared and certified that the statements therein contained are true and correct.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 23rd day of February, 2018.

(Seal)

Notary Public Signature
The Applicant Eligibility Certification(s) is included behind this tab.

§10.204 of the Uniform Multifamily Rules identifies situations in which an Application or Applicant may be ineligible for Department funding. Applicants must provide disclosure of all potential instances of ineligibility, along with evidence of appropriate corrective action taken and accepted by the Department or mitigating factors to be considered. Documentation should be attached behind this tab.

Disclosure of all potential instances of ineligibility, along with evidence of appropriate corrective action is included behind this tab.

The form must be executed by all individuals included on the organizational chart who are identified under §10.204(2)(A) – (D) of the Uniform Multifamily Rules and who have the ability to exercise control over the Development.

**The form should be executed, notarized, and included in the full application document.**

The submission may include one copy of the certification along with copies of the signature pages. A signed, dated, and notarized signature page for each individual described above must be included. No hard copy is required, only a scanned copy within the final PDF file.

The form for the certification will be posted to the Department's website at http://www.tdhca.state.tx.us/multifamily/apply-for-funds.htm
Applicant Eligibility Certification

All defined terms used in this certification and not specifically defined herein have the meanings ascribed to them in Chapter 2306 of the Tex. Gov’t Code, §42 of the Internal Revenue Code, and §10.3 of the Uniform Multifamily Rules.

The undersigned, in each and all of the following capacities in which it may serve or exist or be contemplated to bring a new entity into existence—Applicant, Development Owner, Developer, Guarantor of any obligation of the Applicant, and/or Principal of the Applicant and hereafter referred to as "Applicant," whether serving in one or more such capacities, is hereby submitting its Application to the Department for consideration of multifamily funding.

Applicant hereby represents, warrants, agrees, acknowledges and certifies to the Department and to the State of Texas that:

It has obtained all necessary consents and approvals, and conducted all necessary diligence to enable it to make these certifications and to perform any all agreements and to give all consents provided for or made herein.

All representations, undertakings and commitments made by Applicant in the Application process for a Development, whether with respect to Threshold Criteria, selection criteria or otherwise, expressly constitute conditions to any Commitment, Determination Notice, Carryover Allocation, or Direct Loan Commitment for such Development which the Department may issue or award, and the violation of any such condition shall be sufficient cause for the cancellation and rescission of such Commitment, Determination Notice, Carryover Allocation, or Direct Loan Commitment by the Department. To the extent allowed under §2306.6720 Tex. Gov’t Code, if any such representations, undertakings and commitments concern or relate to the ongoing features or operation of the Development, they shall each and all shall be enforceable even if not reflected in the Land Use Restriction Agreement. All such representations, undertakings and commitments are also enforceable by the Department and/or the tenants of the Development, including but not limited to enforcement by assessment of administrative penalties for failure to perform, in accordance with the Land Use Restriction Agreement, the entry of orders by the Department’s Governing Board requiring strict performance, or the obtaining of injunctive relief.

Neither Applicant nor any other member of the Development Team has been or is barred, suspended, or terminated from procurement in a state or Federal program or listed in HUD’s System for Award Management (SAM).

Neither Applicant nor any other member of the Development Team has been convicted of a
state or federal felony crime involving fraud, bribery, theft, misrepresentation of material fact, misappropriation of funds, or other similar criminal offenses within fifteen (15) years preceding the Application submission.

Neither Applicant nor any other member of the Development Team is, at the time of Application, subject to an enforcement or disciplinary action under state or federal securities law or by the NASD; is subject to a federal tax lien; and/or is the subject of a proceeding in which a Governmental Entity has issued an order to impose penalties, suspend funding, or take adverse action based on an allegation of financial misconduct or uncured violation of material laws, rules, or other legal requirements governing activities considered relevant by the Governmental Entity.

Neither Applicant nor any other member of the Development Team has breached a contract with a public agency and failed to cure that breach within the timeframe provided or allowed by contract. If such breach is permitted to be cured under the contract, notice of the breach has been given and a reasonable opportunity to cure.

Neither Applicant nor any other member of the Development Team has 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.

Neither Applicant nor any other member of the Development Team has been found by the Board to be ineligible based on a previous participation review performed in accordance with 10 TAC Chapter 1 Subchapter C.

Neither Applicant nor any other member of the Development Team is delinquent in any loan, fee, or escrow payments to the Department in accordance with the terms of the loan, as amended, or is otherwise in default with any provisions of such loans.

Neither Applicant nor any other member of the Development Team has failed to cure any past due fees owed to the Department within the timeframe provided by notice from the Department and at least ten (10) days prior to the Board meeting at which the decision for an award is to be made.

Neither Applicant nor any other member of the Development Team is in violation of a state revolving door or other standard of conduct or conflict of interest statute, including §2306.6733 of the Tex. Gov’t Code, or a provision of Chapter 572 of the Tex. Gov’t Code, that would prohibit the Person from participating in the Application in the manner and capacity they are participating.
Neither Applicant nor any other member of the Development Team has previous Contracts or Commitments that have been partially or fully de-obligated during the twelve (12) months prior to the submission of the Application and through the date of final allocation due to a failure to meet contractual obligations, and the Person is not on notice that such de-obligation results in ineligibility under 10 TAC Chapter 10.

Neither Applicant nor any other member of the Development Team has provided false or misleading documentation or made other intentional or negligent material misrepresentations or omissions in or in connection with an Application (and certifications contained therein), Commitment, or Determination Notice for a Development.

Neither Applicant nor any other member of the Development team has been the owner or Affiliate of the owner of a Department assisted rental development for which the federal affordability requirements were prematurely terminated and the affordability requirements have not re-affirmed or Department funds repaid.

Neither Applicant nor any other member of the Development Team has participated in the dissemination of misinformation about affordable housing and the persons it serves or about a competing Applicant that would likely have the effect of fomenting opposition to an Application where such opposition is not based on substantive and legitimate concerns that do not implicate potential violations of fair housing laws.

The Applicant will not violate §2306.1113 of the Tex. Gov’t Code relating to Ex Parte Communication and further explained in §10.202(2)(A) of the Uniform Multifamily Rules.

For any Development utilizing Housing Tax Credit or Tax-Exempt Bonds, at all times 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 not or has not been a member of the Board or employed by the Department as the Executive Director, Chief of Staff, General Counsel, a Deputy Executive Director, the Director of Multifamily Finance, the Chief of Compliance, the Director of Real Estate Analysis, a manager over the program for which an Application has been submitted, or any person exercising such responsibilities regardless of job title; or in violation of §2306.6733 of the Tex. Gov’t Code.

For any Development utilizing Housing Tax Credits, the Applicant will not propose to replace in less than fifteen (15) years any private activity bond financing of the Development described by the Application, unless the exceptions in §2306.6703(a)(2) of the Tex. Gov’t Code are met.

All the instances in which any Principal or any entity or Person in the Development ownership structure who was or is involved as a Principal in any other affordable housing transaction, that
has terminated voluntarily or involuntarily within the past ten years or is negotiating to terminate their relationship with any other affordable housing development have been fully disclosed pursuant to §10.202(1)(M) of the Uniform Multifamily Rules. Applicant understands that failure to disclose is grounds for termination.

All housing developments with which Applicant, Development Owner, Developer, Guarantor and/or Principal thereof participating, are in compliance with: state and federal fair housing laws, including Chapter 301, Property Code, the Texas Fair Housing Act; 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.); and the Rehabilitation Act of 1973 (29 U.S.C. Section 701 et seq.).

The making of an allocation or award by the Department does not constitute a finding or determination that the Development is deemed qualified to receive such allocation or award. Applicant agrees that the Department or any of its directors, officers, employees, and agents will not be held responsible or liable for any representations made to the undersigned or its investors relating to the Housing Tax Credit Program; therefore, Applicant assumes the risk of all damages, losses, costs, and expenses related thereto and agrees to indemnify and hold harmless the Department and any of its officers, employees, and agents against any and all claims, suits, losses, damages, costs, and expenses of any kind and of any nature that the Department may hereinafter suffer, incur, or pay arising out of its decisions and actions concerning this Application for Housing Tax Credits or the use of information concerning the Housing Tax Credit Program.

Applicant, Development Owner, Developer, Guarantor or other Related Party is not subject to any pending criminal proceedings and if any such proceeding or any other charges which would invalidate the certifications are finally adjudicated or otherwise disposed of prior to Carryover, the Applicant will immediately notify the Department. Such notification must be presented to the Board for consideration at the next available Board meeting.

The individual whose name is subscribed hereto, in his or her individual capacity, on behalf of Applicant, and in all other related capacities described above, as applicable, expressly represents, warrants, and certifies that all information contained in this certification and in the Application, including any and all supplements, additions, clarifications, or other materials or information submitted to the Department in connection therewith as required or deemed necessary by the materials governing the multifamily funding programs are true and correct and the Applicant has undergone sufficient investigation to affirm the validity of the statements made. The Applicant agrees that the Department may, at its discretion, request additional information and/or documentation in its evaluation of this Application and is authorized but
not obligated under this document to conduct its own investigation regarding any information required requested and or provided in relation to the Application or the Development. Further, the Applicant hereby expressly represents, warrants, and certifies that the individual whose name is subscribed hereto has read and understands all the information contained in this form of the Application.

By signing this document, the undersigned, in their individual capacity, on behalf of Applicant, whether formed or to be formed, and in all other related capacities described above, is affirming under penalty of Chapter 37 of the Texas Penal Code titled Perjury and Other Falsification and subject to criminal penalties as defined by the State of Texas. TEX. PENAL CODE ANN. §§37.01 et seq. (Vernon 2011) and subject to any and all other state or federal laws regarding the making of false statements to governmental bodies or the false statements or the providing of false information in connection with the procurement of allocations or awards that the Application and all materials relating thereto constitute government documents and that the Application and all materials relating thereto are true, correct, and complete in all material respects.
2018 Applicant Eligibility Certification

By: [Signature]
Signature of Authorized Representative

Michael M. Fowler
Printed Name

Executive Chairman
New Hope Housing, Inc. & HACDC

Title

2/7/18
Date

THE STATE OF Texas §
COUNTY OF Harris §

Before me, a notary public, on this day personally appeared Michael M. Fowler, known to me to be the person whose name is subscribed to the foregoing document and, being by me first duly sworn, declared and certified that the statements therein contained are true and correct.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 7th day of February, 2018

(Seal)

CYNTHIA MILHEIM
Notary ID #4229294
My Commission Expires June 10, 2021

Notary Public Signature
2018 Applicant Eligibility Certification

By: [Signature]
Signature of Authorized Representative

SANFORD W. CRINER, JR.
Printed Name
Vice Chairman
New Hope Housing, Inc. & HACDC
Title

1/25/18
Date

THE STATE OF Texas
COUNTY OF Harris

Before me, a notary public, on this day personally appeared Sanford W. Criner, Jr., known to me to be the person whose name is subscribed to the foregoing document and, being by me first duly sworn, declared and certified that the statements therein contained are true and correct.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 25th day of January, 2018

(Seal)

CYNTHIA MILHEIM
Notary ID #4229294
My Commission Expires June 10, 2021

Notary Public Signature
By: Mark C. Wilson

Signature of Authorized Representative

Mark C. Wilson

Printed Name

Director, New Hope Housing, Inc.
Secretary of the Board of Directors, HACDC

Title

Feb. 15, 2018

Date

THE STATE OF Texas

§

COUNTY OF Harris

§

Before me, a notary public, on this day personally appeared Mark C. Wilson, known to me to be the person whose name is subscribed to the foregoing document and, being by me first duly sworn, declared and certified that the statements therein contained are true and correct.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 15th day of February 2018

(Seal)

CYNTHIA MILHEIM
Notary ID #4229204
My Commission Expires
June 10, 2021

Notary Public Signature
By: __________________________

Signature of Authorized Representative

Jeff Compton

Printed Name

Director, New Hope Housing, Inc. & HACDC

Title

1 2 5 1 8

Date

THE STATE OF Texas

COUNTY OF Harris

Before me, a notary public, on this day personally appeared Jeff Compton, known to me to be the person whose name is subscribed to the foregoing document and, being by me first duly sworn, declared and certified that the statements therein contained are true and correct.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 25th day of January, 2018

(Seal)

CYNTHIA MILHEIM
Notary ID #4229294
My Commission Expires June 10, 2021

Notary Public Signature
2018 Applicant Eligibility Certification

By: [Signature]
Signature of Authorized Representative

[Printed Name]
Printed Name

Director, HACDC
Title

[Date]
Date

THE STATE OF Texas
COUNTY OF Harris

Before me, a notary public, on this day personally appeared
[Name]
known to me to be the person whose name is subscribed to the foregoing document and, being by me first duly sworn, declared and certified that the statements therein contained are true and correct.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this [Date] of February 2018

[Seal]
Notary Public Signature
By: ____________________________

Signature of Authorized Representative

Preston Roe

Printed Name

Director, HACDC

Title

15 FEB 18

Date

THE STATE OF Texas

COUNTY OF Harris

Before me, a notary public, on this day personally appeared Preston Roe, known to me to be the person whose name is subscribed to the foregoing document and, being by me first duly sworn, declared and certified that the statements therein contained are true and correct.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 15th day of February, 2018

(Seal)

CYNTHIA MILHEIM
Notary ID #4229294
My Commission Expires June 10, 2021

Notary Public Signature
2018 Applicant Eligibility Certification

By: __________________________
    Signature of Authorized Representative

Joy Horak-Brown
Printed Name
President & CEO
New Hope Housing, Inc. & HACDC
Title

2/16/2018
Date

THE STATE OF Texas
COUNTY OF Harris

Before me, a notary public, on this day personally appeared Joy Horak-Brown, known to me to be the person whose name is subscribed to the foregoing document and, being by me first duly sworn, declared and certified that the statements therein contained are true and correct.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 16th day of February, 2018

(Seal)

CYNTHIA MILHEIM
Notary ID #4229294
My Commission Expires June 10, 2021

Notary Public Signature

Page 6 of 6
2018 Applicant Eligibility Certification

By: ____________________________

Signature of Authorized Representative

Karen Briggs Gwin

Printed Name

Treasurer & CFO
New Hope Housing, Inc. & HACDC

Title

9/7/18

Date

THE STATE OF Texas

§

COUNTY OF Harris

§

Before me, a notary public, on this day personally appeared
Karen Briggs Gwin, known to me to be the person whose name is
subscribed to the foregoing document and, being by me first duly sworn, declared and certified
that the statements therein contained are true and correct.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 7th day of February, 2018

(Seal)

CYNTHIA MILHEIM
Notary ID #4229294
My Commission Expires
June 10, 2021

Notary Public Signature
2018 Applicant Eligibility Certification

By: ________________________________
Signature of Authorized Representative

Nicole Cassier Mason
Printed Name

VP, Fund Development & Communications
New Hope Housing, Inc. & HACDC
Title

2-7-2018
Date

THE STATE OF Texas

COUNTY OF Harris

Before me, a notary public, on this day personally appeared Nicole Cassier Mason, known to me to be the person whose name is subscribed to the foregoing document and, being by me first duly sworn, declared and certified that the statements therein contained are true and correct.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 21st day of February, 2018

(Seal)

CYNTHIA MILHEIM
Notary ID #4229294
My Commission Expires June 10, 2021

Notary Public Signature
2018 Applicant Eligibility Certification

By:

Signature of Authorized Representative

Tamara Foster

Printed Name

VP, Onsite Operations
New Hope Housing, Inc. & HACDC

Title

Date

2/15/18

THE STATE OF Texas

COUNTY OF Harris

Before me, a notary public, on this day personally appeared

Tamara Foster, known to me to be the person whose name is
subscribed to the foregoing document and, being by me first duly sworn, declared and certified
that the statements therein contained are true and correct.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 15th day of February, 2018

(Seal)

CYNTHIA MELHEIM
Notary ID #4229294
My Commission Expires
June 10, 2021

Notary Public Signature
2018 Applicant Eligibility Certification

By: [Signature of Authorized Representative]

EMILY ABEN

Printed Name

VP, Real Estate Development & Secretary
New Hope Housing, Inc. & HACDC

Title

[2.16.18]

Date

THE STATE OF Texas

COUNTY OF Harris

Before me, a notary public, on this day personally appeared Emily Aben, known to me to be the person whose name is subscribed to the foregoing document and, being by me first duly sworn, declared and certified that the statements therein contained are true and correct.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 16th day of February, 2018

(Seal)

CYNTHIA MILHEIM
Notary ID #4229294
My Commission Expires June 10, 2021

Notary Public Signature
By: ______________
Signature of Authorized Representative

J. Renea Burns
Printed Name

Director, New Hope Housing, Inc.
Title

January 25, 2018
Date

THE STATE OF Texas
COUNTY OF Harris

Before me, a notary public, on this day personally appeared J. Renea Burns, known to me to be the person whose name is subscribed to the foregoing document and, being by me first duly sworn, declared and certified that the statements therein contained are true and correct.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 25th day of January, 2018

(Seal)

CYNTHIA MILHEIM
Notary ID #4229294
My Commission Expires June 10, 2021

Notary Public Signature

Page 6 of 6
THE STATE OF Texas §
COUNTY OF Harris §

Before me, a notary public, on this day personally appeared Philip Croker, known to me to be the person whose name is subscribed to the foregoing document and, being by me first duly sworn, declared and certified that the statements therein contained are true and correct.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 14th day of February, 2018

(Seal)

Notary Public Signature
By: Carolyn W. Dorros

Signature of Authorized Representative

Carolyn W. Dorros

Printed Name

Director, New Hope Housing, Inc.

Title

1/25/18

Date

THE STATE OF Texas

COUNTY OF Harris

Before me, a notary public, on this day personally appeared Carolyn W. Dorros, known to me to be the person whose name is subscribed to the foregoing document and, being by me first duly sworn, declared and certified that the statements therein contained are true and correct.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 25th day of January 2018

(Seal)

CYNTHIA MILHEIM
Notary ID #4229254
My Commission Expires June 10, 2021

Notary Public Signature

Page 6 of 6
Before me, a notary public, on this day personally appeared

James E. Furr, known to me to be the person whose name is
subscribed to the foregoing document and, being by me first duly sworn, declared and certified
that the statements therein contained are true and correct.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 13th day of February, 2018
By: ____________________________

Signature of Authorized Representative

Catherine James

Printed Name

Director, New Hope Housing, Inc.

Title

1/25/2018

Date

THE STATE OF Texas §

COUNTY OF Harris §

Before me, a notary public, on this day personally appeared Catherine James, known to me to be the person whose name is subscribed to the foregoing document and, being by me first duly sworn, declared and certified that the statements therein contained are true and correct.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 25th day of January 2018

(Seal)

Cynthia Milheim
Notary ID #4229294
My Commission Expires June 10, 2021

Notary Public Signature
2018 Applicant Eligibility Certification

By: [Signature]
Signature of Authorized Representative

TESHIA N. JUDKINS
Printed Name

Director, New Hope Housing, Inc.
Title

1/25/2018
Date

THE STATE OF Texas §
COUNTY OF Harris §

Before me, a notary public, on this day personally appeared [Teshia N. Judkins], known to me to be the person whose name is subscribed to the foregoing document and, being by me first duly sworn, declared and certified that the statements therein contained are true and correct.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 25th day of January 2018

(Seal)

CYNTHIA MILHEIM
Notary ID #4229294
My Commission Expires June 10, 2021

Notary Public Signature
By: [Signature]

Signature of Authorized Representative

Andrea Link

Printed Name

Director, New Hope Housing, Inc.

Title

1/25/18

Date

THE STATE OF Texas

COUNTY OF Harris

Before me, a notary public, on this day personally appeared Andrea Link, known to me to be the person whose name is subscribed to the foregoing document and, being by me first duly sworn, declared and certified that the statements therein contained are true and correct.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 25th day of January, 2018

(Seal)

CYNTHIA MILHEIM
Notary ID #4229294
My Commission Expires June 10, 2021

Notary Public Signature
2018 Applicant Eligibility Certification

By: ____________________________

Signature of Authorized Representative

Melissa Noriega

Printed Name

Director, New Hope Housing, Inc.

Title

2/7/18

Date

THE STATE OF Texas

COUNTY OF Harris

Before me, a notary public, on this day personally appeared Melissa Noriega, known to me to be the person whose name is subscribed to the foregoing document and, being by me first duly sworn, declared and certified that the statements therein contained are true and correct.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 7th day of February, 2018

(Seal)

CYNTHIA MILHEIM
Notary ID #4229294
My Commission Expires June 10, 2021

Notary Public Signature
2018 Applicant Eligibility Certification

By: [Signature]
Signature of Authorized Representative

MATTHEW STAHLBRAUM
Printed Name

Director, New Hope Housing, Inc.
Title

2/15/18
Date

THE STATE OF Texas

COUNTY OF Harris

Before me, a notary public, on this day personally appeared Matthew Stahlbaum, known to me to be the person whose name is subscribed to the foregoing document and, being by me first duly sworn, declared and certified that the statements therein contained are true and correct.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 15th day of February, 2018

(Seal)

CYNTHIA MILHEIM
Notary ID #4229294
My Commission Expires June 10, 2021

Notary Public Signature
2018 Applicant Eligibility Certification

By: [Signature of Authorized Representative]

____________________________
GARRETT THOMPSON
Printed Name

____________________________
Director, New Hope Housing, Inc.
Title

____________________________
1/25/18
Date

THE STATE OF Texas §
COUNTY OF Harris §

Before me, a notary public, on this day personally appeared Garret Thompson known to me to be the person whose name is subscribed to the foregoing document and, being by me first duly sworn, declared and certified that the statements therein contained are true and correct.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 25th day of January, 2018

(Seal)

CYNTHIA MILHEIM
Notary ID #4229294
My Commission Expires June 10, 2021

____________________________
Notary Public Signature
2018 Applicant Eligibility Certification

By:

Signature of Authorized Representative

Melanie M. Trent

Printed Name

Director, New Hope Housing, Inc.

Title

1/25/18

Date

THE STATE OF Texas

COUNTY OF Harris

Before me, a notary public, on this day personally appeared Melanie M. Trent, known to me to be the person whose name is subscribed to the foregoing document and, being by me first duly sworn, declared and certified that the statements therein contained are true and correct.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 25th day of January, 2018

(Seal)

CYNTHIA MILHEIM
Notary ID #4229294
My Commission Expires June 10, 2021

Notary Public Signature
2018 Applicant Eligibility Certification

By: [Signature]

Signature of Authorized Representative

Kenneth J. Valach

Printed Name

Director, New Hope Housing, Inc.

Title

Date

1/25/18

THE STATE OF Texas

COUNTY OF Harris

Before me, a notary public, on this day personally appeared Kenneth J. Valach, known to me to be the person whose name is subscribed to the foregoing document and, being by me first duly sworn, declared and certified that the statements therein contained are true and correct.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 25th day of January, 2018

(Seal)

CYNTHIA MILHEIM
Notary ID #4229294
My Commission Expires
June 10, 2021

Notary Public Signature
By: ____________________________

Signature of Authorized Representative

GEORGE K. WALKER

Printed Name

Director, New Hope Housing, Inc.

Title

Date

THE STATE OF Texas

COUNTY OF Harris

Before me, a notary public, on this day personally appeared Geoffrey K. Walker, known to me to be the person whose name is subscribed to the foregoing document and, being by me first duly sworn, declared and certified that the statements therein contained are true and correct.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 25th day of January, 2018

(Seal)

CYNTHIA MILHEIM
Notary ID #4229294
My Commission Expires June 10, 2021

Notary Public Signature
**Multifamily Direct Loan Certification** is included behind this tab.

**The form should be executed, notarized, and included in the full application document.**

The form for the certification will be posted to the Department's website at

http://www.tdhca.state.tx.us/multifamily/apply-for-funds.htm
Provide the contact information for the Applicant and any staff responsible for Administrative Deficiencies and/or clarifications to the Application.

### 1. Applicant Contact Information

<table>
<thead>
<tr>
<th>Name</th>
<th></th>
<th>Phone</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Joy Horak-Brown</td>
<td></td>
<td>(713) 222-0290</td>
<td></td>
</tr>
<tr>
<td>Email</td>
<td></td>
<td>(713) 628-9113</td>
<td></td>
</tr>
<tr>
<td>Mailing Address</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1117 Texas Avenue</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>City</td>
<td></td>
<td>TX</td>
<td>77002</td>
</tr>
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### 2. Second Contact

<table>
<thead>
<tr>
<th>Name</th>
<th></th>
<th>Phone</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Emily Abeln</td>
<td></td>
<td>(713) 222-0290</td>
<td></td>
</tr>
<tr>
<td>Email</td>
<td></td>
<td>(713) 569-4833</td>
<td></td>
</tr>
</tbody>
</table>

### 3. Consultant Contact (if applicable)

<table>
<thead>
<tr>
<th>Name</th>
<th></th>
<th>Phone</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>n/a</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Email</td>
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<td></td>
</tr>
<tr>
<td>Mailing Address</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Street</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>City</td>
<td></td>
<td>TX</td>
<td></td>
</tr>
</tbody>
</table>
### Competitive Housing Tax Credit Selection Self-Score

This form will self-populate based on scoring selections made throughout the Application. Applicant should refer to this form to ensure that scoring selections are accurate prior to submitting the Application. Corrections must be made in the applicable section(s) of the Application. Highlighted rows indicate scoring items for both 9% HTC and Direct Loan applications. Additional scoring for Direct Loan applications can be found at 10 TAC §13.6.

<table>
<thead>
<tr>
<th>Criteria Promoting Development of High Quality Housing</th>
<th>QAP Reference</th>
<th>Points Selected</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Point Item Description</strong></td>
<td></td>
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</tr>
<tr>
<td><strong>Unit Sizes</strong></td>
<td>§11.9(b)(1)(A)</td>
<td>8</td>
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<tr>
<td><strong>Unit and Development Features</strong></td>
<td>§11.9(b)(1)(B)</td>
<td>7</td>
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<tr>
<td><strong>Sponsor Characteristics</strong></td>
<td>§11.9(b)(2)</td>
<td>2</td>
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<tr>
<td><strong>High Quality Housing Total</strong></td>
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<table>
<thead>
<tr>
<th>Criteria to Serve and Support Texans Most In Need</th>
<th>QAP Reference</th>
<th>Points Selected</th>
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<tbody>
<tr>
<td><strong>Point Item Description</strong></td>
<td></td>
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<tr>
<td><strong>Income Levels of Tenants</strong></td>
<td>§11.9(c)(1)</td>
<td>16</td>
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<tr>
<td><strong>Rent Levels of Tenants</strong></td>
<td>§11.9(c)(2)</td>
<td>13</td>
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<tr>
<td><strong>Tenant Services</strong></td>
<td>§11.9(c)(3)</td>
<td>11</td>
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<tr>
<td><strong>Opportunity Index</strong></td>
<td>§11.9(c)(4)</td>
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<tr>
<td><strong>Underserved Area</strong></td>
<td>§11.9(c)(5)</td>
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<tr>
<td><strong>Tenant Populations with Special Needs</strong></td>
<td>§11.9(c)(6)</td>
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<td><strong>Proximity to the Urban Core</strong></td>
<td>§11.9(c)(7)</td>
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<tr>
<td><strong>Readiness to Proceed in Disaster Impacted Counties</strong></td>
<td>§11.9(c)(8)</td>
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<td><strong>Serve and Support Texans Most in Need Total</strong></td>
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</table>

<table>
<thead>
<tr>
<th>Criteria Promoting Community Support and Engagement</th>
<th>QAP Reference</th>
<th>Points Selected</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Point Item Description</strong></td>
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<td></td>
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<tr>
<td><strong>Local Government Support</strong></td>
<td>§11.9(d)(1)</td>
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<td><strong>Commitment of Development Funding by Local Political Subdivision</strong></td>
<td>§11.9(d)(2)</td>
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<tr>
<td><strong>Declared Disaster Area</strong></td>
<td>§11.9(d)(3)</td>
<td>10</td>
</tr>
<tr>
<td><strong>Quantifiable Community Participation</strong></td>
<td>§11.9(d)(4)</td>
<td></td>
</tr>
<tr>
<td><strong>Community Support from State Representative</strong></td>
<td>§11.9(d)(5)</td>
<td></td>
</tr>
<tr>
<td><strong>Input from Community Organizations</strong></td>
<td>§11.9(d)(6)</td>
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</tr>
<tr>
<td><strong>Concerted Revitalization Plan</strong></td>
<td>§11.9(d)(7)</td>
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</tr>
<tr>
<td><strong>Community Support and Engagement Total</strong></td>
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</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Criteria Promoting the Efficient Use of Limited Resources and Applicant Accountability</th>
<th>QAP Reference</th>
<th>Points Selected</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Point Item Description</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Financial Feasibility</strong></td>
<td>§11.9(e)(1)</td>
<td>18</td>
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<tr>
<td><strong>Cost of Development per Square Foot</strong></td>
<td>§11.9(e)(2)</td>
<td>12</td>
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<tr>
<td><strong>Pre-application Participation</strong></td>
<td>§11.9(e)(3)</td>
<td>6</td>
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<tr>
<td><strong>Leveraging of Private, State, and Federal Resources</strong></td>
<td>§11.9(e)(4)</td>
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</tr>
<tr>
<td><strong>Extended Affordability</strong></td>
<td>§11.9(e)(5)</td>
<td>2</td>
</tr>
<tr>
<td><strong>Historic Preservation</strong></td>
<td>§11.9(e)(6)</td>
<td>0</td>
</tr>
<tr>
<td><strong>Right of First Refusal</strong></td>
<td>§11.9(e)(7)</td>
<td>1</td>
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<tr>
<td><strong>Funding Request Amount</strong></td>
<td>§11.9(e)(8)</td>
<td>1</td>
</tr>
<tr>
<td><strong>Efficient Use of Limited Resources and Applicant Accountability Total</strong></td>
<td></td>
<td>43</td>
</tr>
<tr>
<td><strong>Point Deductions</strong></td>
<td>§11.9(f)</td>
<td></td>
</tr>
<tr>
<td><strong>Total Application Self Score</strong></td>
<td></td>
<td>116</td>
</tr>
</tbody>
</table>
If revised form submitted, date of submission: _________________

Site Information Form Part I

1. Development Address (All Programs)

SEC Dale Carnegie Lane and Regency Square Boulevard
Address
Houston
City

Region Zip County Rural/Urban
6 77036 Harris Urban

Self Score Total: 116

2. Census Tract Information (All Programs)

Census Tract Number: 48201432801 QCT? Yes

Median Household Income: 32473.00 Quartile: 4q Poverty Rate: 31.8 The poverty rate for the census tract is above 40% (55% for Regions 11 or 13), and the Undesirable Neighborhood Characteristics Report and required documentation has been submitted.

3. Resolutions (All Programs, if applicable) - §11.3

Check the boxes of true statements below. Resolutions must be provided to demonstrate eligibility for any unchecked item.

X Twice the State Average Per Capita. The proposed Development is NOT located in a municipality or a county that has more than twice the state average of units per capita supported by Tax Credits or Private activity Bonds. (QAP §11.3(c))

X One Mile Three Year Rule. The proposed Development is located outside an MSA or in a county with a population of less than one million OR is NOT a New Construction or Adaptive Reuse development that will be located one mile or less from a new construction or terminated/withdrawn HTC or Bond development serving the same type of household. (QAP §11.3(d))

X Limitations on Developments in Certain Census Tracts. The proposed Development is NOT a New Construction or Adaptive Reuse development that will be located in a census tract that has more than 20% HTC units per total households. (QAP §11.3(e))


Development Site is appropriately zoned? Yes Zoning Designation: No zoning

Flood Zone Designation: X Entire Development Site is outside the 100 year floodplain. Yes


Residents of the proposed development will attend:

<table>
<thead>
<tr>
<th>School Name</th>
<th>Grades</th>
<th>Met Standard Rating?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Piney Point Elementary</td>
<td>EE</td>
<td>5</td>
</tr>
<tr>
<td>Revere Middle School</td>
<td>6</td>
<td>8</td>
</tr>
<tr>
<td>Wisdom High School (Formerly &quot;Lee&quot;)</td>
<td>9</td>
<td>12</td>
</tr>
</tbody>
</table>

School district has no attendance zones and the closest schools are listed.

The Development Site is located within the attendance zone of an elementary school, a middle school or a high school that does not have a 2017 Met Standard rating by the Texas Education Agency, and the Undesirable Neighborhood Characteristics Report and required documentation has been submitted.

If revised form submitted, date of submission: _________________
Supporting Documentation for the Site Information Form Part I

- X Street Map with Site Drawn and Identified
- X Census Tract Map with Development Site Identified
  https://factfinder.census.gov/faces/nav/jsf/pages/searchresults.xhtml?refresh=t
- n/a Twice the State Average of Units Per Capita
- n/a Resolution
- n/a One Mile Three Year Resolution or evidence of other exception
- n/a Housing Tax Credit Units per Total Household
- X Evidence of Zoning and/or Evidence of Re-Zoning Process
- X Evidence of Flood Zone Designation
- X Educational Quality (all Applications)
  - X School Attendance Zone Map with Development labeled;
  - X 2017 TEA accountability information for each school;
  - n/a UNCR if a school in the attendance zone has not achieved Met Standard for three consecutive years and has failed by at least one point in the most recent year.

n/a For Tax-Exempt Bond Applications the resolution of no objection to satisfy requirements of §10.204(4) of the Uniform Multifamily Rules is included

n/a For Tax-Exempt Bond Applications the resolution of no objection to satisfy requirements of §10.204(4) of the Uniform Multifamily Rules is not included and will be provided under separate cover no later than 14 days prior to the Board meeting selected in Tab 1b
New Hope Housing at Dale Carnegie
Proposed Location
Southeast Corner of Regency Square Blvd. & Dale Carnegie, 77036
New Hope Housing Dale Carnegie
Census Tract: 48-201-4328.01
2017 and 2018 Small DDAs and QCTs

The 2019 Qualified Census Tracts (QCTs) and Difficult Development Areas (DDAs) are effective January 1, 2018. The 2018 designations use data from the 2010 Decennial census and three releases of 2010 tabulations from the American Community Survey (ACS): 2009-2013, 2010-2014, and 2011-2016. The designation methodology is explained in the federal Register notice published September 11, 2017.

NHH Dale Carnegie
To: Whom It May Concern

From: Patrick Walsh P.E. Director
Planning and Development Department

Effective Date: January 1 2018

The City of Houston does not have a zoning ordinance. This is the city of Houston’s no zoning letter applicable to any property inside the city of Houston. This does not address any separately filed restrictions that may be applicable to the property. You may use this letter to present to your lender. This letter will be updated on January 1 2019.

All applicable development regulations and subdivisions laws can be obtained through a review of the City Code of Ordinances which is located on the City of Houston internet site accessed through www.houstonplanning.com or www.houstontx.gov/planning.
Accountability Rating

Met Standard

Met Standards on
- Student Achievement
- Student Progress
- Closing Performance Gaps
- Postsecondary Readiness

Did Not Meet Standards on
- NONE

In 2017, to receive a Met Standard or Met Alternative Standard rating, districts and campuses must meet targets on three indexes: Index 1 or Index 2 and Index 3 and Index 4.

Performance Index Report

Performance Index Summary

Index | Points Earned | Maximum Points | Index Score
--- | --- | --- | ---
1 - Student Achievement | 724 | 1,216 | 60
2 - Student Progress | 364 | 1,000 | 36
3 - Closing Performance Gaps | 405 | 1,200 | 34
4 - Postsecondary Readiness
   STAAR Score | 24.0 | |
   Graduation Rate Score | N/A | |
   Graduation Plan Score | N/A | |
   Postsecondary Component Score | N/A | 24

Distinction Designation

- Academic Achievement in ELA/Reading
  NO DISTINCTION EARNED
- Academic Achievement in Mathematics
  NO DISTINCTION EARNED
- Academic Achievement in Science
  NO DISTINCTION EARNED
- Academic Achievement in Social Studies
  NOT ELIGIBLE
- Top 25 Percent Student Progress
  NO DISTINCTION EARNED
- Top 25 Percent Closing Performance Gaps
  NO DISTINCTION EARNED
- Postsecondary Readiness
  NO DISTINCTION EARNED

Campus Demographics

- Campus Type: Elementary
- Grade Span: EE - 05
- Campus Size: 1,136 Students
- Percent Economically Disadvantaged: 95.4
- Percent English Language Learners: 76.3
- Mobility Rate: 13.8
- Percent Served by Special Education: 6.2
- Percent Enrolled in an Early College High School Program: 0.0

System Safeguards

Number and Percentage of Indicators Met

- Performance Rates: 4 out of 20 = 20%
- Participation Rates: 14 out of 14 = 100%
- Graduation Rates: N/A

Total: 18 out of 34 = 53%

For further information about this report, please see the Performance Reporting website at https://rptsvr1.tea.texas.gov/perfreport/account/2017/index.html
## Accountability Rating

**Met Standard**

### Met Standards on
- Student Achievement
- Student Progress
- Closing Performance Gaps
- Postsecondary Readiness

### Did Not Meet Standards on
- NONE

In 2017, to receive a Met Standard or Met Alternative Standard rating, districts and campuses must meet targets on three indexes: Index 1 or Index 2 and Index 3 and Index 4.

## Distinction Designation

### Academic Achievement in ELA/Reading
- NO DISTINCTION EARNED

### Academic Achievement in Mathematics
- NO DISTINCTION EARNED

### Academic Achievement in Science
- NO DISTINCTION EARNED

### Academic Achievement in Social Studies
- DISTINCTION EARNED

### Top 25 Percent Student Progress
- NO DISTINCTION EARNED

### Top 25 Percent Closing Performance Gaps
- DISTINCTION EARNED

### Postsecondary Readiness
- DISTINCTION EARNED

## Performance Index Report

### Performance Index Summary

<table>
<thead>
<tr>
<th>Index</th>
<th>Points Earned</th>
<th>Maximum Points</th>
<th>Index Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 - Student Achievement</td>
<td>2,260</td>
<td>3,302</td>
<td>68</td>
</tr>
<tr>
<td>2 - Student Progress</td>
<td>532</td>
<td>1,400</td>
<td>38</td>
</tr>
<tr>
<td>3 - Closing Performance Gaps</td>
<td>1,136</td>
<td>2,800</td>
<td>41</td>
</tr>
<tr>
<td>4 - Postsecondary Readiness</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>STAAR Score</td>
<td>46.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Graduation Rate Score</td>
<td>N/A</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Graduation Plan Score</td>
<td>N/A</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Postsecondary Component Score</td>
<td>N/A</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### System Safeguards

#### Number and Percentage of Indicators Met

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Points Earned</th>
<th>Maximum Points</th>
<th>Percentage Met</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance Rates</td>
<td>25 out of 37 = 68%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Participation Rates</td>
<td>16 out of 16 = 100%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Graduation Rates</td>
<td>N/A</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>41 out of 53 = 77%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

For further information about this report, please see the Performance Reporting website at [https://rptsvr1.tea.texas.gov/perfreport/account/2017/index.html](https://rptsvr1.tea.texas.gov/perfreport/account/2017/index.html)
Accountability Rating

Met Standard

Met Standards on
- Student Progress
- Closing Performance Gaps
- Postsecondary Readiness

Did Not Meet Standards on
- Student Achievement

In 2017, to receive a Met Standard or Met Alternative Standard rating, districts and campuses must meet targets on three indexes: Index 1 or Index 2 and Index 3 and Index 4.

Performance Index Report

Index 1 - Student Achievement (Target Score=60)
Index 2 - Student Progress (Target Score=17)
Index 3 - Closing Performance Gaps (Target Score=30)
Index 4 - Postsecondary Readiness (Target Score=60)

Performance Index Summary

<table>
<thead>
<tr>
<th>Index</th>
<th>Points Earned</th>
<th>Maximum Points</th>
<th>Index Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 - Student Achievement</td>
<td>1,499</td>
<td>3,226</td>
<td>46</td>
</tr>
<tr>
<td>2 - Student Progress</td>
<td>256</td>
<td>1,400</td>
<td>18</td>
</tr>
<tr>
<td>3 - Closing Performance Gaps</td>
<td>521</td>
<td>1,600</td>
<td>33</td>
</tr>
<tr>
<td>4 - Postsecondary Readiness</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>STAAR Score</td>
<td>9.8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Graduation Rate Score</td>
<td>19.7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Graduation Plan Score</td>
<td>22.4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Postsecondary Component Score</td>
<td>19.4</td>
<td></td>
<td>71</td>
</tr>
</tbody>
</table>

Distinction Designation

- Academic Achievement in ELA/Reading: NO DISTINCTION EARNED
- Academic Achievement in Mathematics: DISTINCTION EARNED
- Academic Achievement in Science: NO DISTINCTION EARNED
- Academic Achievement in Social Studies: NO DISTINCTION EARNED
- Top 25 Percent Student Progress: NO DISTINCTION EARNED
- Top 25 Percent Closing Performance Gaps: NO DISTINCTION EARNED
- Postsecondary Readiness: NO DISTINCTION EARNED

Campus Demographics

- Campus Type: High School
- Grade Span: 09 - 12
- Campus Size: 1,832 Students
- Percent Economically Disadvantaged: 97.1
- Percent English Language Learners: 55.0
- Mobility Rate: 34.2
- Percent Served by Special Education: 7.8
- Percent Enrolled in an Early College High School Program: 0.0

System Safeguards

Number and Percentage of Indicators Met

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Number Met</th>
<th>Percentage Met</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance Rates</td>
<td>11 out of 28 = 39%</td>
<td></td>
</tr>
<tr>
<td>Participation Rates</td>
<td>16 out of 16 = 100%</td>
<td></td>
</tr>
<tr>
<td>Graduation Rates</td>
<td>0 out of 5 = 0%</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>27 out of 49 = 55%</td>
<td></td>
</tr>
</tbody>
</table>

For further information about this report, please see the Performance Reporting website at https://rptsvr1.tea.texas.gov/perfreport/account/2017/index.html
1. **§11.9(c)(4) - Opportunity Index (Competitive HTC and Direct Loan Applications Only)**

   Development Site is located entirely within a census tract that has a poverty rate that is less than 20% or that is less than the median poverty rate for the region, whichever is higher.

   AND

   - The census tract has a median household income rate in the two highest quartiles within the region.

   OR

   - The census tract has a median household income in the third quartile within the region, and is contiguous to a census tract in the first or second quartile without physical barriers such as highways or rivers between, and the Development Site is no more than 2 miles from the boundary between the census tracts. A map showing the Development Site, location of the border, scale showing distance, and other applicable evidence is included.

   Development is Urban and Development Site is within the required radius of eligible amenities and/or services, pursuant to §11.9(c)(4)(B)(ii) of the QAP. A map showing the Development Site, scale showing radius, location of the amenities, and evidence that the amenity meets all requirements of the rule, as applicable, is included.

   Development is Rural or USDA and Development Site is within the required distance of eligible amenities and/or services pursuant to §11.9(c)(4)(B)(i) of the QAP. A map showing the Development Site, scale showing radius, location of the amenities, and evidence that the amenity meets all requirements of the rule, as applicable, is included.

   No members of the Applicant or Affiliates had an ownership position in a selected amenity or served on the board or staff of a nonprofit that owned or managed a selected amenity within the year preceding the Pre-Application Final Delivery Date.

   Application is seeking points for Opportunity Index.  
   Total Points Claimed: 0

If necessary, provide a brief summary of how the Development Site is justifying the points selected:
2. **§11.9(c)(5) - Underserved Area (Competitive HTC and Direct Loan Applications Only)**

Applications may qualify for up to five (5) points for proposed Developments located in one of the following areas:

- **No** Wholly or partially within a Colonia (Note: Not eligible if application qualifies for Opportunity Index points);
- **No** Entirely within the boundaries of an Economically Distressed Area (Note: Not eligible if application qualifies for Opportunity Index points);
- **Yes** Entirely within a census tract that does not have a Development that was awarded less than 30 years ago according to the Department’s property inventory tab of the Site Demographic Characteristics Report;
- **Yes** Entirely within a census tract that does not have a Development that was awarded less than 15 years ago according to the Department’s property inventory tab of the Site Demographic Characteristics Report;
- **No** Entirely within a census tract whose boundaries are wholly within an incorporated area and the census tract itself and all of its contiguous census tracts do not have a Development that was awarded less than 15 years ago according to the Department's property inventory tab of the Site Demographic Characteristics Report. This item will apply in Places with a population of 150,000 or more, and will not apply in the At-Risk Set-Aside.

<table>
<thead>
<tr>
<th>Contiguous Census Tract #</th>
<th>Contiguous Census Tract #</th>
<th>Contiguous Census Tract #</th>
<th>Contiguous Census Tract #</th>
</tr>
</thead>
</table>

Application is seeking points for Underserved Area. **Total Points Claimed:** 🟢 3

3. **§11.9(c)(7) - Proximity to the Urban Core (Competitive HTC Applications Only)**

X Development Site is located in a Place with a population over 200,000 and is not in the At-Risk Set-Aside.

AND

Population of Place is 200,000-499,999 and Development is located w/in 2 miles of the main municipal government administration building.

OR

Population of Place is 500,000 or more and Development is located w/in 4 miles of the main municipal government administration building.

Application is seeking points for Proximity to the Urban Core. **Total Points Claimed:** 🟢 0

4. **§11.9(d)(7) - Concerted Revitalization Plan (Competitive HTC Applications Only)**

<table>
<thead>
<tr>
<th>Region:</th>
<th>Urban</th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
<td></td>
</tr>
</tbody>
</table>

Development is in an Urban Area.

- X Application includes a copy of the plan or a link to the online plan and a description of where specific information required can be found in the plan.
- X Plan is current at the time of Application and officially continues for a minimum of three years thereafter.
- X Plan has been adopted by the municipality or county and resolution or certification is attached.
- X Letter from appropriate local official, target area map, and supporting documentation are provided.
- X Development is explicitly identified by the municipality or county as contributing more than any other to the concerted revitalization efforts of the municipality, county or distinct district; resolution stating such is provided.
- X Evidence of sufficient, documented and committed funding to accomplish the plan's purposes on its established timetable is provided.
- X No points were claimed for Opportunity Index, but location would qualify for at least 4 points under §11.9(c)(4)(B):
  - university or community college (5 miles)
  - pharmacy (1 mile)
  - health-related facility (3 miles)
  - public library (1 mile)
  - A map showing the Development Site, scale showing radius, location of the amenities, and evidence that the amenity meets all requirements of the rule, as applicable, is included.
- X No members of the Applicant or Affiliates had an ownership position in a selected amenity or served on the board or staff of a nonprofit that owned or managed a selected amenity within the year preceding the Pre-Application Final Delivery Date.

OR

- Rehabilitation
- Demolition/Reconstruction

Development has been leased at 85% or more for the six months preceding Application by low income households (excluding unlivable units identified in CNA);
AND
Development was constructed 25 or more years prior to Application submission as either public housing or as affordable housing with support from USDA, HUD, HOME, or CDBG;

AND
Demolition and relocation of units has been determined locally to be necessary to comply with Affirmatively Furthering Fair Housing Rule or to create acceptable distance from Undesirable Neighborhood Characteristics.

Development is explicitly identified in a resolution by the municipality or county as contributing more than any other to the concerted revitalization efforts of the municipality or county; letter from Governing Body stating such is provided behind this tab.

No points were claimed for Opportunity Index, but location would qualify for at least 4 points under §11.9(c)(4)(B):

A map showing the Development Site, scale showing radius, location of the amenities, and evidence that the amenity meets all requirements of the rule, as applicable, is included behind this tab.

No members of the Applicant or Affiliates had an ownership position in a selected amenity or served on the board or staff of a nonprofit that owned or managed a selected amenity within the year preceding the Pre-Application Final Delivery Date.

Application is seeking points for Concerted Revitalization. Total Points Claimed: 7

5. §11.9(d)(3) - Declared Disaster Area Scoring (Competitive HTC Applications ONLY)

X Development is located in an area that qualifies as a Declared Disaster Area as defined in §11.9(d)(3).

Application is seeking points for Declared Disaster Area. Total Points Claimed: 10

6. §11.9(c)(8) - Readiness to Proceed in Disaster Impacted Counties (Competitive HTC Applications ONLY)

X Application is for a proposed Development located in a county declared by FEMA to be eligible for individual assistance within the year proceeding the Full Application Delivery Date.

X Application includes evidence that the Applicant will close all financing on or before October 31, 2018.

X Application includes evidence that the Applicant will fully execute the construction contract on or before October 31, 2018.

X Application includes evidence that appropriate zoning will be in place at award.

X Application includes a DETAILED narrative description of each piece of evidence provided and how that evidence proves that the Applicant will close all financing and fully execute the construction contract on or before October 31, 2018.

Application is seeking points for Readiness to Proceed. Total Points Claimed: 5
Supporting Documentation for the Site Information Form Part II

<table>
<thead>
<tr>
<th>n/a</th>
<th>Opportunity Index (Competitive HTC and Direct Loan Only)</th>
</tr>
</thead>
<tbody>
<tr>
<td>n/a</td>
<td>Map with Development Site boundaries indicated, relative to census tract boundaries</td>
</tr>
<tr>
<td>n/a</td>
<td>Map with Development Site boundaries indicated, relative to census tract boundaries; and contiguous census tract with evidence of no physical barriers between the tracts</td>
</tr>
<tr>
<td>n/a</td>
<td>Map(s) of Community Assets with Development, radius, and each asset labeled</td>
</tr>
<tr>
<td>n/a</td>
<td>Distances are measured from the nearest boundary of the Development Site to the nearest boundary of the property or easement containing the facility, unless otherwise noted. All measurements include ingress/egress and any easements</td>
</tr>
<tr>
<td>n/a</td>
<td>For each amenity, supporting documentation to evidence how the amenity meets each requirement for the amenity</td>
</tr>
<tr>
<td>n/a</td>
<td>Print-out from DFPS website confirming daycare licensed to serve relevant age groups (<a href="http://www.dfps.state.tx.us/Child_Care/Search_Texas_Child_Care/ppFacilitySearchDayCare.asp">http://www.dfps.state.tx.us/Child_Care/Search_Texas_Child_Care/ppFacilitySearchDayCare.asp</a>)</td>
</tr>
<tr>
<td>n/a</td>
<td>Crime rate information for census tract from Neighborhood Scout or local data source dated after October 1, 2017, including the computation used to determine the crime rate (<a href="https://www.neighborhoodscout.com">https://www.neighborhoodscout.com</a>)</td>
</tr>
<tr>
<td>n/a</td>
<td>Print-out from THECB website confirming accreditation of university or community college (<a href="http://www.txhighereddata.org/Interactive/Institutions.cfm">http://www.txhighereddata.org/Interactive/Institutions.cfm</a>)</td>
</tr>
<tr>
<td>n/a</td>
<td>Evidence of regular and recurring substantive services provided by community, civic or service organization, as applicable</td>
</tr>
<tr>
<td>n/a</td>
<td>Evidence amenity is operational or has started site work (for instance: website postings, news paper ads, etc.); evidence of costs or membership fees, age restrictions, as applicable</td>
</tr>
<tr>
<td>x</td>
<td>Evidence of Underserved Area (Competitive HTC and Direct Loan Only)</td>
</tr>
<tr>
<td>n/a</td>
<td>For Colonia:</td>
</tr>
<tr>
<td>n/a</td>
<td>Evidence from Attorney General of Colonia boundaries; and <a href="https://www.texasattorneygeneral.gov/cpd/colonias">https://www.texasattorneygeneral.gov/cpd/colonias</a></td>
</tr>
<tr>
<td>n/a</td>
<td>Letter from the appropriate local government official or other evidence that the colonia lacks infrastructure and the Development will enable the current dwellings to connect to such infrastructure; and</td>
</tr>
<tr>
<td>n/a</td>
<td>Map showing development site boundaries, relative to Colonia boundaries, and distance from Rio Grande river border.</td>
</tr>
<tr>
<td>n/a</td>
<td>A letter or correspondence from Texas Water Development Board indicating the boundaries of the EDA; and</td>
</tr>
<tr>
<td>n/a</td>
<td>Map showing development site boundaries, relative to EDA boundaries.</td>
</tr>
<tr>
<td>x</td>
<td>For other items:</td>
</tr>
<tr>
<td></td>
<td>Development must be awarded 2002 or earlier for 15-year threshold and 1987 or earlier for 30-year threshold.</td>
</tr>
<tr>
<td></td>
<td>The Site Demographic Characteristics Report is posted on the Department's website at <a href="http://www.tdhca.state.tx.us/multifamily/apply-for-funds.htm">http://www.tdhca.state.tx.us/multifamily/apply-for-funds.htm</a></td>
</tr>
<tr>
<td>x</td>
<td>Map with Development Site boundaries indicated, relative to census tract boundaries</td>
</tr>
<tr>
<td>n/a</td>
<td>Map with census tract boundaries indicated, relative to boundaries of incorporated area, if applicable</td>
</tr>
<tr>
<td>x</td>
<td>Map with all contiguous census tracts, if applicable</td>
</tr>
<tr>
<td>n/a</td>
<td>Proximity to Urban Core (Competitive HTC Only)</td>
</tr>
<tr>
<td>n/a</td>
<td>Map with the appropriate radius, City Hall location, and evidence of meetings regularly scheduled for City Council, City Commission, or similar governing body.</td>
</tr>
</tbody>
</table>
Concerted Revitalization Plan (Competitive HTC Only)

Urban:
- Copy of the plan, or link to electronic copy. Plan must document that 11.9(d)(7)(A)(l-V) are met.
- Map of target area(s) with location of Development Site clearly identified.
- Resolution adopting the Concerted Revitalization Plan or resolution of delegation and other documentation.
- Resolution identifying Development as contributing more than any other to revitalization effort.
- Letter from appropriate local official providing documentation of measurable improvements.
- Evidence of committed funding.
- For each amenity, supporting documentation to evidence that the amenity meets each Opportunity Index requirement for the amenity.

Rural:
- n/a

Declared Disaster Area:
- The county in which the Development Site is located is listed on the 2018 List of Declared Disaster Areas (no further documentation is required).
  The List of Declared Disaster Areas is posted on the Department’s website at http://www.tdhca.state.tx.us/multifamily/apply-for-funds.htm
- n/a
- Applicant believes the county in which the Development Site is located was omitted from the list and should be listed. Application includes evidence that the Development Site is located in an area declared to be a disaster area under Tex. Gov’t Code §418.014 at the time of early Application submission (January 26, 2018), at the Full Application Delivery Date, or at any time within the two-year period preceding the Full Application Delivery Date (as of March 1, 2016).

Readiness to Proceed
- The county in which the Development Site is located is listed on the 2018 List of Declared Disaster Areas eligible for points under 10 TAC §11.9(c)(8) (no further documentation is required).
- Evidence that the Applicant meets the requirements for Readiness to Proceed. Pursuant to 10 TAC 11.9(c)(8), the Application must include evidence that appropriate zoning will be in place at award (July 26, 2018).
- Application includes evidence that appropriate zoning will be in place at award.
  Further, the Application must include evidence that the Applicant will close all financing and fully execute the construction contract on or before the last business day of October 2018. Examples of the kinds of documentation that may be used to evidence those milestones are listed below. Applicants may select any of these items, or use the "Other" selections to describe the evidence presented. Each piece of evidence provided must be accompanied by a detailed narrative describing how that piece of evidence will allow the Applicant to meet the requirements. If evidence is not included behind this tab, use the space to describe where in the Application the evidence can be found. Evidence may include, but is not limited to:
  - Loan or equity commitments with evidence of completed due diligence
    See attached construction loan letter from BBVA, with evidence of completed due diligence
  - Confirmation from lender that non-refundable application and/or due diligence fee has been paid to lender and/or equity provider
  - Documentation from lender of the lenders’ critical path schedule for underwriting and approval including when application fees will be paid and third party reports reviewed.
    See attached timeline letter from BBVA
Evidence from lender that the lenders’ third party reports have been ordered
Signed architect contract
Critical path schedule with specific anticipated date for each milestone for site development and building permitting from the architect of record 
See attached timeline from GSMA
Permit-ready architectural plans
Evidence that Site Plan has been submitted for permit and received by the appropriate permitting authority
Description from architect of record of current stage of architectural plans 
See attached timeline from GSMA
Evidence that site development permit application has been submitted and received by the appropriate permitting authority
Description of timing for property acquisition 
See attached Readiness to Proceed Narrative
Description of timing for construction permits 
See attached timeline from GSMA
Evidence of selection of construction contractor 
See attached draft construction contract and prime subcontract
Description of timing for execution of construction contracts 
See attached Readiness to Proceed Narrative
For any applicable public entity, evidence that contract procurement(s) has been issued per 2 CFR 200
For any applicable public entity, evidence that contract procurement(s) has been completed per 2 CFR 200
Detailed construction schedule including groundbreaking, start of site work, start of vertical construction, etc. 
See attached construction schedule included within GC Contract, as an attached exhibit
Project execution plan 
See attached Owner’s project timeline
Other (describe): Executed proposal for geotechnical study
Other (describe): Submitted application for Water/Wastewater letters from the City of Houston
Other (describe): Letter evidencing appropriate zoning in place 
Project is appropriately zoned. See included zoning letter from the City of Houston, behind Tab 8
Other (describe): Executed proposal for waterproofing review
New Hope Housing Dale Carnegie
Census Tract: 48-201-4328.01
Contiguous Tracts:
48201421201, 48201421202, 48201421300, 48201432802, 48201432901, 48201432500, 48201432600, 48201432701
CONCERTED REVITALIZATION PLAN BEGINS
Community Revitalization Plan Area

Dale Carnegie is located within the City of Houston’s Tax Increment Reinvestment Zone 20, Southwest Houston Zone (TIRZ 20). The TIRZ 20 was adopted by the Houston City Council by Resolution No. 1999-1330 on December 15, 1999 (Exhibit A). The Project Plan and Reinvestment Zone Financing Plan (the Project Plan) for the TIRZ 20 was adopted on April 19, 2000 by the Houston City Council by Ordinance No. 2000-310 (Exhibit B). Since the adoption of the Project Plan, four amended project plans have been adopted as followed First Amended Project Plan by Ordinance 2009-111 on February 18, 2009, Second Amended Project Plan by Ordinance 2013-213 on March 20, 2013, Third Amended Project Plan by Ordinance 2015-1051 on November 4, 2015, and Fourth Amended Project Plan by Ordinance 2017-185 on March 8, 2017 (Exhibit C). The Dale Carnegie development site is and has been located squarely within the boundaries of TIRZ 20 through each amended project plan and TIRZ 20 meets both the spirit and technical requirements of the CRP scoring item as summarized below.

Texas Department of Housing and Community Affairs Requirements for Concerted Revitalization Plans (CRPs)

1. Zone Area – Area targeted for revitalization must be larger than the footprint of the housing development and should be a neighborhood or small group of contiguous neighborhoods – TIRZ 20 meets this requirement. While the boundaries of TIRZ 20 have been amended since the zone’s creation in 1999, the boundaries have included the development site since inception. A color copy of the fourth amended zone boundary map is attached as Exhibit D.

2. Adoption by City – CRP must have been adopted by city via resolution – TIRZ 20 meets this requirement. TIRZ 20 was created through adoption of Ordinance 1999-1330 on December 15, 1999 by the Houston City Council. The City Council has also adopted by ordinance the original Project Plan in 2000 and each subsequently amended project plan. The Fourth Amended Project Plan is the current plan which was adopted by the City Council on March 8, 2017 by Ordinance 2017-185.

3. Public Comment – Problems in the revitalization area were identified through a process in which affected local residents had opportunity to express their views - TIRZ 20 meets this requirement. A public hearing regarding the creation of TIRZ 20 was held on December 8, 1999 and was public announced in the Houston Chronicle on December 1, 1999. Additionally, City Council adoption of the Project Plan and each Amended Project Plan took place during public meeting subject to public comment after a public hearing. A draft of the Fourth Amended Plan was made publicly available on TIRZ20.com and a public hearing was held on December 14, 2016 prior to the City Council’s adoption in March of 2017. Ongoing public input is gathered through TIRZ 20 Board meetings of the TIRZ directors which are held on the first Thursday of each month at 10103 Fondren, a location easily accessed by local residents. Meeting materials are made available to the public in advance of the meetings. Informal updates on the TIRZ financed projects are also available to the public at TIRZ20.com.

4. Problems in CRP Area – Plan must identify problems facing area – TIRZ 20 meets this requirement; resolution 1999-1330 states: “Zone substantially impairs and arrests the sound growth of the City, retards the provision of housing accommodations, constitutes an economic and social liability and is a menace to the public health, safety, morals, or welfare in its present condition and use because of the presence of: a. a substantial number of substandard, slum, deteriorated, or deteriorating structures; b. the predominance of defective or inadequate sidewalk or street layout; c. faulty lot layout in relation to size, adequacy, accessibility or usefulness; unsanitary or unsafe conditions; e. the
deterioration of site or other improvements; and f. conditions that endanger life or property by fire or other cause.”

5. Targeted Efforts – Plan must include targeted efforts to address problems facing area – TIRZ 20 meets this requirement. The Project Plan describes existing conditions in the zone in detail but generally includes: “goals and redevelopment plans to address blighted conditions associated with failing infrastructure, lack of utility capacity, increased traffic congestion attributable to street network deficiencies, pedestrian environment deficiencies, declining commercial property values, and declining retail sales resulting from increased competition between old inner-city malls and newer suburban retail shopping centers. Project emphasis defined in the Part A Plan included repositioning of the Sharpstown Mall, improvements to Bellaire Boulevard, Fondren Road, Gessner Road and Corporate Drive. The Part A Plan sought to reverse the significant social and economic stresses affecting the stability and long-term economic viability of the area through the financing of mobility enhancements, public infrastructure, and roadways” (from Fourth Amended Project Plan). {NOTE: the original and amended Project Plans are often referred to by ascending alphabetic letters as opposed to ascending numbers with the original Project Plan being “A”, First Amended Project Plan being “B”, and so on.) Each amended project plan further hones the goals and redevelopment plans for the zone based on evolving conditions, new projects and financing opportunities. However, each amended plan is developed to substantively address the adverse conditions identified in Ordinance 1999-1330, which created the zone and continues to govern its operation.

6. Funding – Plan must have sufficient, documented and committed funding to accomplish its goals – TIRZ 20 meets this requirement. As a tax increment financing reinvestment zone, the TIRZ 20 generates annual revenue that is dedicated to the development, construction, and preservation of affordable housing and other eligible uses as provided for in the Fourth Amended Project Plan. City Council approved 2017-2021 operating budget via Ordinance No. 2016-647 (Exhibit E). Additionally, revenue projections from 2016 through 2040 are included in the Fourth Amended Project Plan with a total estimated revenue of $486 million.

7. Time Period – Plan must be current as of March 1, 2018 and must officially continue for three years thereafter – The TIRZ 20 was created in 1999 and continues until December 31, 2040 per Ordinance 2017-185.

Support documents not included as exhibits
1. First Amended Project Plan
2. Second Amended Project Plan
3. Third Amended Project Plan
4. Articles of Incorporation and Bylaws
5. Project updates and TIRZ 20 News
EXHIBIT A

City of Houston, Texas, Ordinance No. 1999-______

AN ORDINANCE DESIGNATING A CONTIGUOUS GEOGRAPHIC AREA WITHIN THE CITY OF HOUSTON GENERALLY BOUNDED BY WESTPARK DRIVE AND HARWIN DRIVE ON THE NORTH, BISSONNET STREET ON THE SOUTH, WILCREST DRIVE ON THE WEST AND U. S. HIGHWAY 59 ON THE EAST (SOUTHWEST HOUSTON AREA) AS A REINVESTMENT ZONE FOR TAX INCREMENT FINANCING PURPOSES PURSUANT TO CHAPTER 311 OF THE TEXAS TAX CODE; CREATING A BOARD OF DIRECTORS FOR SUCH ZONE; CONTAINING FINDINGS AND PROVISIONS RELATED TO THE FOREGOING SUBJECT; PROVIDING A SEVERABILITY CLAUSE; AND DECLARING AN EMERGENCY.

WHEREAS, pursuant to Chapter 311 of the Texas Tax Code, the City may designate a contiguous geographic area within the City as a reinvestment zone if the area satisfies the requirements of certain sections of Chapter 311 of the Texas Tax Code; and

WHEREAS, the City has prepared a preliminary reinvestment zone financing plan for the creation of a proposed reinvestment zone within a contiguous area of the City known as the Southwest Houston area (the "proposed zone"), which provides that City of Houston ad valorem taxes are to be deposited into the tax increment fund, and that taxes of other taxing units may be utilized in the financing of the proposed zone; and

WHEREAS, the City provided written notice of the City’s intention to create the proposed zone, complying with the requirements of Chapter 311, Texas Tax Code, to the governing bodies of all other taxing units levying taxes on property within the proposed zone; and

Development site is located within these original boundaries.
WHEREAS, a notice of the December 8, 1999, public hearing on the creation of the proposed zone was published on December 1, 1999, in the Houston Chronicle, a newspaper of general circulation in the City; and

WHEREAS, Harris County, pursuant to Section 311.003, Texas Tax Code, has waived the Tax Code requirement that it receive notice of the City's intention to create the zone sixty (60) days before the public hearing on the creation of the proposed zone; and

WHEREAS, the Houston Independent School District, pursuant to Section 311.003, Texas Tax Code, has waived the requirement that it receive notice of the City's intention to create the proposed zone sixty (60) days before public hearing on the creation of the proposed zone; and

WHEREAS, the Alief Independent School District, pursuant to Section 311.003, Texas Tax Code, has waived the requirement that it receive notice of the City's intention to create the proposed zone sixty (60) days before public hearing on the creation of the proposed zone; and

WHEREAS, at the public hearing on December 8, 1999, interested persons were allowed to speak for or against the creation of the proposed zone, its boundaries, or the concept of tax increment financing, and owners of property in the proposed zone were given a reasonable opportunity to protest the inclusion of their property in the proposed zone; and
WHEREAS, evidence was received and presented at the public hearing in favor of and against the creation of the proposed zone under the provisions of Chapter 311, Texas Tax Code and the concept of tax increment financing; and

WHEREAS, no owner of real property in the proposed zone protested the inclusion of his property in the proposed zone; and

WHEREAS, the City has provided all information and made all presentations, given all notices and done all other things required by Chapter 311, Texas Tax Code, or other law as a condition to the creation of the proposed zone; and

WHEREAS, the total appraised value of property in the proposed zone and all other reinvestment zones previously created by the City is approximately $5,010,075,248; and

WHEREAS, the total appraised value of taxable real property in the City and in the industrial districts created by the City is approximately $65,438,353,138; and

WHEREAS, the total appraised value of real property taxable by Harris County, in which the proposed zone is located, is approximately $111,255,368,000; and

WHEREAS, the total appraised value of real property taxable by the Houston Independent School District, within whose boundaries the proposed zone is partially located, is approximately $41,257,908,000; and

WHEREAS, the total appraised value of real property taxable by the Alief Independent School District, within whose boundaries the proposed zone is partially located, is approximately $4,839,070,000; and
WHEREAS, the total area within the proposed zone is approximately 2,051.63 acres, excluding property that is publicly owned; and

WHEREAS, approximately 2.70 acres of the property in the proposed zone is currently used for residential purposes, as that term is defined in Section 311.006(d) of the Texas Tax Code; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HOUSTON, TEXAS:

Section 1. Findings

(a) That the findings and recitals contained in the preamble of this Ordinance are hereby found and declared to be true and correct and are adopted as part of this Ordinance for all purposes.

(b) That the City Council further finds and declares that the proposed improvements in the zone will significantly enhance the value of all the taxable real property in the proposed zone and will be of general benefit to the City.

(c) That City Council further finds and declares that the proposed zone meets the criteria and requirements of Section 311.005 of the Texas Tax Code because the proposed zone substantially impairs and arrests the sound growth of the City, retards the provision of housing accommodations, constitutes an economic and social liability and is a menace to the public health, safety, morals, or welfare in its present condition and use because of the presence of:
a. a substantial number of substandard, slum, deteriorated, or deteriorating structures;
b. the predominance of defective or inadequate sidewalk or street layout;
c. faulty lot layout in relation to size, adequacy, accessibility or usefulness;
d. unsanitary or unsafe conditions;
e. the deterioration of site or other improvements; and
f. conditions that endanger life or property by fire or other cause.

(d) That City Council further finds and declares that the proposed zone meets the criteria and requirements of Section 311.005 of the Texas Tax Code because it includes substantial areas that are predominantly open and, because of obsolete platting and other factors, substantially impair and arrest the sound growth of the City.

(e) That the City Council, pursuant to the requirements of Chapter 311, Texas Tax Code, further finds and declares:

(1) That the proposed zone is a contiguous geographic area located wholly within the corporate limits of the City of Houston;

(2) That less than ten percent of the property in the proposed zone is used for residential purposes within the meaning of Section 311.006(d), Texas Tax Code.
(3) That the total appraised value of taxable real property in the proposed zone, and in existing reinvestment zones of the City, does not exceed fifteen percent of the total appraised value of taxable real property in the City and in industrial districts created by the City;

(4) That the proposed zone does not contain more than fifteen percent of the total appraised value of real property taxable by Harris County, the Houston Independent School District or the Alief Independent School District; and

(5) That development or redevelopment of the property within the boundaries of the proposed zone will not occur solely through private investment in the reasonably foreseeable future.

Section 2. **Exception to Guidelines**

That the City hereby excepts the proposed zone from compliance with any City reinvestment zone guidelines established by the City pursuant to Resolution No. 90-203 that are applicable to the proposed zone and that the zone does not satisfy. Section 1 of Resolution No. 90-203 specifically authorizes the City Council to grant exceptions on a zone-by-zone basis.
Section 3. Designation of the Zone

That the City, acting under the provisions of Chapter 311, Texas Tax Code (the "Act"), including Section 311.005(a), does hereby designate as a reinvestment zone, and create and designate a reinvestment zone over, the area depicted on the map attached hereto as Exhibit "A" and described in Exhibit "B" attached hereto and incorporated herein to promote the development of the area. The reinvestment zone shall hereafter be named for identification as Reinvestment Zone Number Twenty, City of Houston, Texas, (the "Zone").

Section 4. Board of Directors

That there is hereby created a Board of Directors for the Zone, which shall consist of seven (7) members. Positions One through Five on the Board of Directors shall be reserved for the City. Positions Six and Seven shall be reserved for other taxing units levying taxes within the Zone, each of whom may appoint one director. Any taxing unit that appoints a director shall be assigned a Board position number in the order the appointment is received by the City. Failure of a taxing unit to appoint a director by January 1, 2001, shall be deemed a waiver of the right to appoint a director, and the City shall be entitled to appoint persons to the position, which shall be filled as provided below. If more than two taxing units levying taxes within the Zone appoint a director, the number of directors on the Board of Directors shall be increased by one for each taxing unit above two that appoints a director to the board, provided, if more than four taxing units levying
taxes within the Zone appoint a director, the number of directors on the Board of Directors shall be increased by two for each taxing unit above four that appoints a director to the board, provided, further, that the maximum number of directors shall not exceed fifteen (15). The City shall be entitled to appoint a person to one position of each of the two positions created as a result of more than four taxing units appointing directors, which position shall be filled as provided below.

The Mayor is hereby authorized to nominate and appoint the directors to Positions One through Five of the Board of Directors, any position unfilled on January 1, 2001, and any City position created by the appointment of a director by more than two taxing units levying taxes within the Zone, subject to the consent and approval of the City Council.

The following persons are hereby appointed as initial directors to the Board of Directors of the Zone in the position specified below:

<table>
<thead>
<tr>
<th>Position</th>
<th>Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Toni J. Franklin</td>
</tr>
<tr>
<td>2</td>
<td>Joseph M. Stokes</td>
</tr>
<tr>
<td>3</td>
<td>Robert D. Tanner</td>
</tr>
<tr>
<td>4</td>
<td>Kenneth Li</td>
</tr>
<tr>
<td>5</td>
<td>Welcome W. Wilson</td>
</tr>
</tbody>
</table>

The directors appointed to odd-numbered positions shall be appointed for a two year term, beginning on the effective date of this Ordinance, while the directors appointed
to even-numbered positions shall be appointed to a one year term, beginning on the
effective date of this Ordinance. All subsequent appointments shall be for two-year terms.
The member of the Board of Directors appointed to Position One is hereby designated to
serve as the chair of the Board of Directors for a term beginning on the effective date of
this Ordinance, and ending December 31, 2000. Thereafter, the Mayor shall annually
nominate and appoint, subject to City Council approval, the member to serve as chair for
a term of one year beginning January 1 of the following year. The City Council authorizes
the Board of Directors to elect from its members a vice chairman and such other officers
as the Board of Directors sees fit.

The Board of Directors shall make recommendations to the City Council concerning
the administration of the Zone. The Board of Directors shall prepare or cause to be
prepared and adopt a project plan and a reinvestment zone financing plan for the Zone as
described in Section 311.011, Texas Tax Code, and shall submit such plans to the City
Council for its approval. The City, pursuant to Section 311.010(a) of the Texas Tax Code
hereby authorizes the Board of Directors to exercise all of the City's powers necessary to
administer, manage or operate the Zone and to prepare the project plan and reinvestment
zone financing plan, including the power to employ consultants, legal counsel and financial
advisors, or enter into any reimbursement agreements with consultants, legal counsel and
financial advisors payable solely from the Tax Increment Fund established pursuant to
Section 7 of this Ordinance, subject to the approval of the Director of the Planning and
Development Department, that may be reasonably necessary or convenient to assist the Board of Directors in the administration, management or operation of the Zone and the preparation of the project plan and reinvestment zone financing plan. Notwithstanding the foregoing, the Board of Directors shall not be authorized to issue bonds, impose taxes or fees, exercise the power of eminent domain or give final approval to the project plan and reinvestment zone financing plan. The Board of Directors of the Zone may not exercise any power granted to the City by Section 311.008 of the Texas Tax Code without additional authorization from the City.

Section 5. Duration of the Zone

That the Zone shall take effect immediately upon the passage and approval of this Ordinance, and termination of the operation of the Zone shall occur on December 31, 2029, or at an earlier time designated by subsequent ordinance, or at such time, subsequent to the issuance of tax increment bonds, if any, that all project costs, tax increment bonds, and the interest on the bonds, have been paid in full.

Section 6. Tax Increment Base

That the Tax Increment Base of the City or any other taxing unit participating in the Zone is the total appraised value of all real property taxable by the City or other taxing unit participating in the Zone and located in the Zone, determined as of January 1, 1999, the year in which the Zone is designated as a reinvestment zone (the “Tax Increment Base”).
Section 7. **Tax Increment Fund**

That there is hereby created and established a Tax Increment Fund for the Zone which may be divided into subaccounts as authorized by subsequent ordinances. All Tax Increments, as defined below, shall be deposited in the Tax Increment Fund. The Tax Increment Fund and any subaccount shall be maintained at the depository bank of the City and shall be secured in the manner prescribed by law for funds of Texas cities. The annual Tax Increment shall equal the property taxes levied and collected by the City or any other taxing unit participating in the Zone for that year on the captured appraised value, as defined by the Act, of real property located in the Zone that is taxable by the City or any other taxing unit participating in the Zone, less any amounts that are to be allocated from the Tax Increment pursuant to the Act. All revenues from the sale of any tax increment bonds, notes, or other obligations hereafter issued by the City for the benefit of the Zone, if any; revenues from the sale of property acquired as part of the project plan and reinvestment zone financing plan, if any; and other revenues to be used in the Zone shall be deposited into the Tax Increment Fund. Prior to termination of the Zone, money shall be disbursed from the Tax Increment Fund only to pay project costs, as defined by the Texas Tax Code, for the Zone, to satisfy the claims of holders of tax increments bonds or notes issued for the Zone, or to pay obligations incurred pursuant to agreements entered into to implement the project plan and reinvestment zone financing plan and achieve their purposes pursuant to Section 311.010(b) of the Texas Tax Code.
Section 8. **Severability**

If any provision, section, subsection, sentence, clause or phrase of this Ordinance, or the application of same to any person to set circumstances, is for any reason held to be unconstitutional, void or invalid, the validity of the remaining provisions of this Ordinance or their application to other persons or set of circumstances shall not be affected thereby, it being the intent of the City Council in adopting this Ordinance that no portion hereof or regulations connected herein shall become inoperative or fail by reason of any unconstitutionality, voidness or invalidity of any portion hereof, and all provisions of this Ordinance are declared severable for that purpose.

Section 9. **Open Meetings**

It is hereby found, determined and declared that a sufficient written notice of the date, hour, place and subject of the meeting of the City Council at which this Ordinance was adopted was posted at a place convenient and readily accessible at all times to the general public at the City Hall of the City for the time required by law preceding this meeting, as required by the Open Meetings Law, Texas Government Code, ch. 551, and that this meeting has been open to the public as required by law at all times during which this Ordinance and the subject matter hereof have been discussed, considered and formally acted upon. The City Council further ratifies, approves and confirms such written notice and the contents and posting thereof.
Section 11. Emergency

There exists a public emergency requiring that this Ordinance be passed finally on the date of its introduction as requested in writing by the Mayor; therefore, this Ordinance shall be passed finally on such date and shall take effect immediately upon its passage and approval by the Mayor; however, in the event that the Mayor fails to sign this Ordinance within five days of its passage and adoption, it shall take effect in accordance with Article VI, Section 6, Houston City Charter.

PASSED AND ADOPTED this 15th day of December, 1999.

APPROVED this ____ day of ________________, 1999.

Mayor of the City of Houston

Pursuant to Article VI, Section 6, Houston City Charter, the effective date of the foregoing Ordinance is DEC 21 1999.

City Secretary

(Prepared by Legal Dept. MAM/MAM December 13, 1999 Assistant City Attorney)
(Requested by Robert Litke, Director, Planning and Development Department)
L.D. No. 61-99115-01
Property Description
Proposed Southwest Houston T.I.R.Z.

Beginning at the east right-of-way line of the Southwest Freeway and the north right-of-way line of Westpark.

Thence southwesterly along the east right-of-way of the Southwest Freeway to the south right-of-way line of Fondren.

Thence northwesterly along the south right-of-way line of Fondren to the south right-of-way line of Bellaire Boulevard.

Thence westerly along the south right-of-way of Bellaire Boulevard to the west right-of-way line of Kendalia Drive.

Thence southerly along the west right-of-way line of Kendalia Drive to the south line of the Texas First National Bank Plaza subdivision.

Thence westerly along the south line of the Texas First National Bank Plaza subdivision and continuing west along the south line of Lots 1A through 9 of Sharpstown Country Club Terrace Section 3 to the east line of Westwood Center Section 3 subdivision.

Thence southerly along the east line of the Westwood Center Section 3 subdivision to the north right-of-way line of Stroud Street.

Thence along the north right-of-way of Stroud Street to the east right-of-way of the West Sam Houston Parkway South.

Thence southerly along the east right-of-way of the West Sam Houston Parkway South to the north right-of-way line of Brays Bayou.

Thence southeasterly along the north right-of-way line of Brays Bayou to the north right-of-way line of an unnamed Harris County Flood Control District drainage ditch.

Thence northeasterly along the north right-of-way line of said drainage ditch to the west line of the Sharpstown Country Club Terrace Section 3 subdivision.

Thence southerly along the west Sharpstown Country Club Terrace Section 3 subdivision to the north line of the Westwood Country Club.

Thence easterly along the north line of the Westwood Country Club to the west line of a Houston Lighting & Power Company fee strip.

Thence north along the Houston Lighting & Power Company fee strip to Beechnut.
Street and continuing north along the east line of Sharpstown Country Club Terrace Section 3 to east right-of-way line of South Gessner.

Thence southerly along the east right-of-way line of South Gessner to the north right-of-way line of Beechnut Street.

Thence easterly along the north right-of-way line of Beechnut Street to the east right-of-way of the Southwest Freeway.

Thence southwesterly along the east right-of-way line of the Southwest Freeway to the south right-of-way line of Bissonnet.

Thence westerly along the south right-of-way line of Bissonnet to the west right-of-way of Woodfair Drive.

Thence northerly along the west right-of-way of Woodfair Drive to the north right-of-way line of Duchamp Drive.

Thence westerly along Duchamp Drive to the east line of the Westwood South Patio Homes.

Thence northerly along the east line of the Westwood South Patio Homes to the south line of a drainage ditch.

Thence westerly along the south line of a drainage ditch to the west right-of-way line of the West Sam Houston Parkway South.

Thence northerly along the West Sam Houston Parkway South to the south right-of-way line Beechnut Street.

Thence westerly along the south right-of-way of Beechnut Street to the east line of tract 1A-2 of the H. A. Cobb Survey, Abstract 210 to the northeast corner of said tract.

Thence westerly along the north line of tracts 1A-2 and 1A-6 to the east line of the east line of the Emperial Point Section 9 subdivision.

Thence northerly along the east line of Emperial Point Section 9 and Emperial Point Section 7 subdivisions to the north line of Harris County Flood Control District drainage ditch.

Thence easterly along the north line of the Harris County Flood Control District drainage ditch to the west right-of-way line of Brays Bayou.

Thence northerly along the west right-of-way line of Brays Bayou to the south right-of-way line of Bellaire Boulevard.
Thence along the south right-of-way line of Bellaire Boulevard to the west line of Reserve “D” of the Concourse subdivision.

Thence northerly along the west line of the Reserves “B”, “C”, and “D” of the Concourse subdivision to the north line of the Concourse subdivision.

Thence easterly along the north line of the Concourse subdivision to the west right-of-way line of the West Sam Houston Parkway South.

Thence southerly along the west right-of-way line of the West Sam Houston Parkway South to the north right-of-way line of Harwin Drive.

Thence along the north right-of-way line of Harwin Drive to the east line of a Houston Lighting & Power Company fee strip.

Thence easterly along the east line of the Houston Lighting & Power Company fee strip to north right-of-way line of Bellaire Boulevard.

Thence easterly along the north right-of-way of Bellaire Boulevard to the west line of 19B of the Sharpstown Acreage.

Thence with the west, north and east lines of tracts 19B and 19A of the Sharpstown Acreage to the north right-of-way line of Bellaire Boulevard.

Thence easterly with the north right-of-way of Bellaire Boulevard to the west line of Reserve A of the Harbor Town subdivision.

Thence northerly with the west line of Reserve A of the Harbor Town subdivision and the east line of the Sharpstown Country Club Estates Section 3 to a point for a corner.

Thence easterly along the south line of townhomes on the park phases 1 through 4 to a point for a corner.

Thence southerly along the west line of Sharpstown Country Club Estates Sections 2 and 3 to a point for a corner.

Thence easterly along the south line of Sharpstown Country Club Estates Section 2 to the west right-of-way of Fondren Road.

Thence northerly along the west right-of-way line of Fondren Road to the north right-of-way line of Harwin Drive.

Thence easterly along the north right-of-way line of Harwin Drive to the west right-of-way line of Hillcroft Avenue.
Thence northerly along the west right-of-way line of Hillcroft Avenue to the north right-of-way line of Westpark.

Thence along the north right-of-way line of Westpark to the east line of the Southwest Freeway and the point of beginning, SAVE AND EXCEPT Golf Green Condo Phase 1, Amended Phase 1 and Phase 2 subdivisions, Sharpstown Green Condo subdivision, Hamilton Court Condo subdivision and Louisville Court Condo subdivision.
REQUEST FOR COUNCIL ACTION

TO: Mayor via City Secretary

SUBJECT: Ordinance Designating Reinvestment Zone Number Twenty, City of Houston (the Southwest Houston Reinvestment Zone)

FROM: (Department or other point of origin):
Planning & Development Department

DIRECTOR’S SIGNATURE:

For additional information contact:
Robert M. Litke Phone: 837-7708
Bill Calderon Phone: 837-7787

Council Districts affected:
District F – Ray Driscoll

Date and identification of prior authorizing Council Action: N/A

RECOMMENDATION: (Summary)

Recommend that City Council approve an ordinance designating Reinvestment Zone Number Twenty, City of Houston, Texas, also known as the Southwest Houston Reinvestment Zone, and establishing a reinvestment zone Board of Directors

Amount of Funding: Not Applicable
F & A Budget:

SOURCE OF FUNDING: [ ] General Fund [ ] Grant Fund [ ] Enterprise Fund
[ ] Other (Specify)

SPECIFIC EXPLANATION:

Consistent with legal requirements, City Council conducted a public hearing regarding the designation of a reinvestment zone known as the Southwest Houston Reinvestment Zone for tax increment financing purposes on December 8, 1999. The proposed zone is approximately 2,051.6 acres.

The ordinance establishes a thirty-year zone effective January 1, 2000, creates a Board of Directors for the zone, provides for the zone to expire December 31, 2029, establishes a tax increment fund for the zone, finds the zone's projected improvements to be of general benefit to the City, and, finds the proposed zone meets the statutory criteria for a reinvestment zone.

Marty Stein, Agenda Director
Anthony Hall, City Attorney
Anna Russell, City Secretary

REQUIRED AUTHORIZATION

A Director
AN ORDINANCE APPROVING THE PROJECT PLAN AND REINVESTMENT ZONE FINANCING PLAN FOR REINVESTMENT ZONE NUMBER TWENTY, CITY OF HOUSTON, TEXAS (THE SOUTHWEST HOUSTON ZONE); AUTHORIZING THE CITY SECRETARY TO DISTRIBUTE SUCH PLANS; CONTAINING VARIOUS PROVISIONS RELATED TO THE FOREGOING SUBJECT; AND DECLARING AN EMERGENCY.

WHEREAS, by City of Houston Ordinance No. 99-1330, adopted December 15, 1999, the City created Reinvestment Zone Number Twenty, City of Houston, Texas (the "Southwest Houston Zone") for the purposes of development within the area of the City generally referred as the "Southwest Houston" area; and

WHEREAS, the Board of Directors of the Southwest Houston Zone has approved the Project Plan and Reinvestment Zone Financing Plan attached hereto for the development of the Southwest Houston Zone; and

WHEREAS, the City Council must approve the Project Plan and Reinvestment Zone Financing Plan; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HOUSTON, TEXAS:

Section 1. That the findings contained in the preamble of this Ordinance are declared to be true and correct and are hereby adopted as part of this Ordinance.
Section 2. That the Project Plan and Reinvestment Zone Financing Plan attached hereto for Reinvestment Zone Number Twenty, City of Houston, Texas, are hereby determined to be feasible and are approved.

Section 3. That the City Secretary is directed to provide copies of the Project Plan and Reinvestment Zone Financing Plan to each taxing unit levying ad valorem taxes in the Southwest Houston Zone.

Section 4. That City Council officially finds, determines, recites and declares a sufficient written notice of the date, hour, place and subject of this meeting of the City Council was posted at a place convenient to the public at the City Hall of the City for the time required by law preceding this meeting, as required by the Open Meetings Law, Chapter 551, Texas Government Code, and that this meeting has been open to the public as required by law at all times during which this ordinance and the subject matter thereof has been discussed, considered and formally acted upon. That City Council further ratifies, approves and confirms such written notice and the contents and posting thereof.

Section 5. That there exists a public emergency requiring that this Ordinance be passed finally on the date of its introduction as requested in writing by the Mayor, therefore, this Ordinance shall be passed finally on such date and shall take effect immediately upon its passage and approval by the Mayor; however, in the event that the Mayor fails to sign this Ordinance within five days after its passage and adoption, it shall take effect in accordance with Article VI, Section 6, Houston City Charter.
PASSED AND ADOPTED this 19th day of April, 2000.

APPROVED this ______ day of __________, 2000.

Mayor of the City of Houston

Pursuant to Article VI, Section 6, Houston City Charter, the effective date of the foregoing Ordinance is APR 25, 2000.

City Secretary

(Prepared by Legal Dept.
(DFM/dfm April 10, 2000) Senior Assistant City Attorney
(Requested by Robert M. Litke, Director, Planning and Development)
(L D. File No. 61-99115-03)

<table>
<thead>
<tr>
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<th>NO</th>
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<td></td>
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<td>QUAN</td>
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<td>BELL</td>
</tr>
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<td>ROBINSON</td>
</tr>
</tbody>
</table>

CAPTION ADOPTED
TAX INCREMENT REINVESTMENT ZONE, NUMBER TWENTY,  
CITY OF HOUSTON  
(SOUTHWEST HOUSTON REINVESTMENT ZONE)

PROJECT PLAN AND REINVESTMENT ZONE  
FINANCING PLAN

January 25, 2000
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MARKET AND ECONOMIC FEASIBILITY STUDIES
I. MAPS SHOWING EXISTING USES AND CONDITIONS OF REAL PROPERTY IN THE ZONE AND MAPS SHOWING PROPOSED IMPROVEMENTS TO AND PROPOSED USES OF THAT PROPERTY

The Southwest Houston Tax Increment Reinvestment Zone ("Zone") includes property with most boundaries contiguous with the boundary of the Sharpstown Public Improvement District (the "District") and includes vacant property located west of the Sam Houston Toll Road between Beechnut and Harwin.

The maps included herein are as follows:

- Map A: Current Land Use Map
- Map B: Existing Uses and Conditions Map
- Map C: TIRZ and Existing PID boundary Map
- Map D: Infrastructure Improvements (Halliburton Tract)
- Map E: Commercial/Retail Development (Haliburton Tract)

The Zone totals 2,051.63 acres. The following table illustrates the existing land uses within the boundaries of the Zone and Map A shows the current uses.

<table>
<thead>
<tr>
<th>TYPE</th>
<th>ACREAGE</th>
<th>PERCENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial</td>
<td>1,017.23</td>
<td>49.58</td>
</tr>
<tr>
<td>Vacant</td>
<td>545.85</td>
<td>26.60</td>
</tr>
<tr>
<td>Multi-family</td>
<td>353.97</td>
<td>17.25</td>
</tr>
<tr>
<td>Public/Institutional</td>
<td>95.92</td>
<td>4.67</td>
</tr>
<tr>
<td>Utility</td>
<td>1.72</td>
<td>1.75</td>
</tr>
<tr>
<td>Residential</td>
<td>2.70</td>
<td>0.13</td>
</tr>
</tbody>
</table>

Commercial development represents almost 50% of the total developed land area. Vacant acreage was second with 27%. The majority of vacant land is found in the western and southern sectors of the Zone. Multi-family residential was third with 17%.
EXISTING CONDITIONS

Conclusions In Relation to Chapter 311 Section 005

The TIRZ substantially arrests and impairs the sound growth of the City of Houston, retards the provision of housing accommodations and constitutes an economic and social liability. The area is also a menace to the public health, safety, morals and welfare in its present condition and use because of the presence of:

1. A substantial number of substandard, slum, deteriorated, or deteriorating structures;
2. The predominance of defective or inadequate sidewalk or street layout;
3. Faulty lot layout in relation to size, adequacy, accessibility, or usefulness;
4. Unsanitary or unsafe conditions;
5. The deterioration of site or other improvements;
6. Tax or special assessment delinquency exceeding the fair market of the land; and
7. Conditions that endanger life or other property by fire or other cause.

Map C shows the location where these existing conditions are located. Also, while not depicted on Map B, the Haliburton Tract and the Sharpstown Center Property both contain land that is predominantly open and, because of obsolete platting, and other factors (i.e., Declining Ad Valorem tax base and Sales Tax revenues) substantially arrests and impairs the sound growth of the City.

The following details the extent of these conditions.

Economic Conditions

In recent years, the TIRZ area has experienced an increase in physical, economic, and social blighting influences. Major concerns include the economic distress experienced by the Sharpstown and Westwood regional malls; excess vacancy or under-utilization of numerous strip centers; closure of major retail stores; and the deterioration of multi-family apartment properties.
State and Municipal Sales Tax Trends

Municipal sales tax receipts within the Zone peaked in 1993 totaling $8,176,942. Since 1993, the municipal sales tax receipts have declined about 16%. In 1997, revenues from sales tax totaled $6,884,252. Revenues in 1998 indicate a 0.13% gain, which is far below the average increase across the city of Houston.

Table B
PROPOSED SOUTHWEST HOUSTON TIRZ
SALES TAX RECEIPT HISTORY

<table>
<thead>
<tr>
<th>YEAR</th>
<th>AMOUNT SUBJECT TO STATE SALES TAX</th>
<th>MUNICIPAL SALES TAX RECEIPT</th>
<th>% INCREASE/DECREASE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1989</td>
<td>$738,178,898</td>
<td>$7,381,789</td>
<td>1.31%</td>
</tr>
<tr>
<td>1990</td>
<td>$747,884,050</td>
<td>$7,478,841</td>
<td>-0.45%</td>
</tr>
<tr>
<td>1991</td>
<td>$744,519,448</td>
<td>$7,445,194</td>
<td>6.03%</td>
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<tr>
<td>1992</td>
<td>$789,421,063</td>
<td>$7,894,211</td>
<td>3.58%</td>
</tr>
<tr>
<td>1993</td>
<td>$817,694,231</td>
<td>$8,176,942</td>
<td>-0.13%</td>
</tr>
<tr>
<td>1994</td>
<td>$816,637,872</td>
<td>$8,166,379</td>
<td>-4.80%</td>
</tr>
<tr>
<td>1995</td>
<td>$777,454,233</td>
<td>$7,774,542</td>
<td>3.58%</td>
</tr>
<tr>
<td>1996</td>
<td>$715,428,537</td>
<td>$7,154,285</td>
<td>-7.98%</td>
</tr>
<tr>
<td>1997</td>
<td>$688,425,161</td>
<td>$6,884,252</td>
<td>-3.77%</td>
</tr>
<tr>
<td>1998</td>
<td>$689,298,115</td>
<td>$6,892,981</td>
<td>0.13%</td>
</tr>
</tbody>
</table>

Assessed Value Trends

Property value trends declined approximately 10% from $829,548,648 in 1989 to $756,454,323 in 1999. In the mid - 1990s, a strong economy fueled by population and employment growth stimulated market demand for commercial and residential properties in the Houston area, reversing an overall downward valuation trend. However, the area in the TIRZ has not fared as well. The most recent tax appraisal data for 1999 shows a stark difference between Houston and the TIRZ area. For example, the Sharpstown Center property tax values have fallen approximately $7.0 million from 1998. A cooling economy with minimum or flat job growth can be expected to exacerbate this downward trend since the overall neighborhood is still aging and has not benefited from an infusion of public infrastructure or significant private investment.

Table C
Assessed Valuations Trend

<table>
<thead>
<tr>
<th>YEAR</th>
<th>ASSESSED VALUE</th>
<th>% CHANGE FROM 1998</th>
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<tr>
<td>1989</td>
<td>$829,548,648</td>
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<tr>
<td>1993</td>
<td>$771,738,233</td>
<td>-6.97%</td>
</tr>
<tr>
<td>1999</td>
<td>$756,454,323</td>
<td>-8.81%</td>
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</tbody>
</table>
Sharpstown Center Existing Conditions

The Sharpstown Center is located on the north side of Bellaire Boulevard off of Highway 59 (Southwest Freeway) on approximately 77 acres. The mall is located in an older suburban district that must compete with nearby upscale centers (i.e., The Galleria) and newer suburban retail (i.e., Fort Bend County). It opened in 1961, was expanded in 1980, and remodeled in 1993. The center has approximately 1.56 million square feet of gross leaseable area (GLA). Major anchors include Foley's (360,823 sq. ft.) and Montgomery Ward (181,177 sq. ft.). However the J.C. Penny store (177,229 sq. ft.) is now closed and 21% of the center is vacant. The mall is physically outdated and has a weak tenant mix, with only 25% of the mall space leased to national brand tenants. Access to the center from Highway 59 is confusing. These conditions limit shopper traffic. In sum, the Sharpstown Center can no longer be considered a dominant shopping center in the Houston area.

Following are a list of constraints that will need to be overcome in order to reposition the Sharpstown Center:

- The Sharpstown area is an older suburban district – first ring “edge city”.
- 40 year-old land uses that are no longer competitive with upscale urban centers (Galleria) and newer suburban retail (Fort Bend County).
- Deteriorated condition of many multi-family complexes - and associated downturn in residents’ retail expenditure potential.
- Perception that the area is unsafe.
- Hodge-podge of land uses, lacking clear identity/image or town center.
- Weak arrival points to the mall.
- Outmoded, under performing theater at the mall, and a closed department store.
SHARPSTOWN CENTER

1999 Tax Value Reduced By $7 M From 1998

Penny's Closed 1998

Cineplex Converted to a Dollar Theater
Commercial Retail Sector Existing Conditions

Prior to 1997, there were alarming trends occurring within the retail, apartment and corporate business sectors of the Zone area economy. Occupancy at both malls (Sharpstown Center & Westwood) fell to new lows. K-Mart moved out of its large store at Beechnut and Southwest Freeway. Home Depot vacated its huge facility on Bellerive west of SH 59. The "big box" facility on the southwest corner of that intersection changed hands twice within three years and is currently vacant. All but one of the large Houston apartment ownership and operating companies moved out of the area, selling their properties to smaller, independent investors with weaker financial structures.

Since 1997, the Sam White Dealership closed. The multitude of apartment complexes in the Club Creek and Corporate Drive area continues to deteriorate and constitute a serious level of crime starting with active sales of drugs. The high turnover in multi-family households also seriously impacts both HISD and AISD schools which are not only seriously overcrowded, but cannot possibly forecast their class sizes from year to year.

Vacant Land Existing Conditions

The Halliburton tract consists of 174.2 acres located in the northwesterly corner of the TIRZ. This tract is partially developed as a business/employment center with Brown and Root/MI Corporation already established. Due to obsolete platting, this property cannot be developed unless significant changes occur.

This area of the TIRZ separates the pattern of land uses in the northern sector of the West Belt Corridor from the southern sector of the Corridor. The southern sector along the West Belt Corridor (south of Bellaire Blvd.) is low intensity suburban commercial, including a few big box retailers (i.e. Home Depot/Auchan Hyper-Mart/Big K Mart) and scattered multi-family housing.

Club Creek Corridor Existing Conditions (Apartment/Retail Decline)

The area located on either side of Club Creek between Bissonnet, Beechnut, and SH 59 consists of extremes in both land uses and opportunities. The area surrounding Club Creek has experienced significant decline in its retail and multi-housing sectors. This area is one of the primary blighted components of the Zone. Severe deterioration in the multi-family property has impacted the economic and social well being of the community. Illegal dumping, prostitution, and drug dealing are rampant. Adequate green space, sidewalks and lighting are non-existent. At the same time, Westwood Mall has shut down, except for the Sears store. This area requires substantial intervention in order to affect a turnaround in the blight.
PUBLIC WORKS/PUBLIC IMPROVEMENTS IN THE ZONE

The items listed below detail those public improvements and their location. These public improvements will be constructed to assist in removing the existing conditions that are described in this Plan. Maps D and E show the public improvements and the uses of the Haliburton Tract.

SHARPSTOWN CENTER PUBLIC IMPROVEMENTS
Street Paving (14,056 LF)
Water & Sanitary Sewer
Storm Sewer
Landscaping
Street Lights & Sidewalks

ZONE AREA PUBLIC IMPROVEMENTS
Intersection/Mobility Improvements (left-turn lanes)
- Bellaire @ Fondren
- Gessner @ Beechnut
- Gessner @ Harwin
- Harwin @ Corporate

Protected Turn Lanes @ Esplanades
- Fondren Between SH 59 & Harwin (5)
- Bellaire Between SH 59 & Beltway (10)

Bus Turn-out Lanes
- Fondren Between SH 59 & Harwin (6)
- Bellaire Between Fondren & Beltway (10)

Esplanade/Right-of-Way Improvements
- Bellaire form SH 59 to Beltway
- Fondren from SH 59 to Bellaire
- Gessner from Harwin to Bellaire
- Gessner from SH 59 to Beechnut
- Beechnut from SH 59 to Gessner
- Ranchester within the Zone

Sidewalk & Lighting Improvements
- Bellaire form SH 59 to Beltway
- Fondren from SH 59 to Bellaire
- Gessner from Harwin to Bellaire
- Gessner from SH 59 to Beechnut
- Beechnut from SH 59 to Gessner
- Club Creek from SH 59 to Beechnut
- Ranchester within the Zone

Club Creek Park Development
- Site Acquisition of 6.6 acres
- Park Improvements
HALIBURTON PROJECT IMPROVEMENTS
Utility Lines
Street Paving Costs Associated with Extension of Rogerdale Detention
   Land
   Construction
Demolition
Landscaping & Sound Barrier

II. CHANGES OF ZONING ORDINANCES, MASTER PLAN OF MUNICIPALITY, BUILDING CODES, AND OTHER MUNICIPAL ORDINANCES

All construction will be done in conformance with existing rules and regulations of the City of Houston. There are no changes of any city ordinance, master plan, or building codes.

III. LIST OF ESTIMATED NON-PROJECT COST ITEMS

The list of estimated non-project costs referenced below reflects costs that the Sharpstown Public Improvement District (the "District") and Developers will make towards the total development plan. These costs are listed as Non-Project Costs because they are costs not to be borne by the Zone. The District's sponsored costs reflect the investment and commitment that has been made and that will continue to be made by the property owners of the District.

The following table depicts the five-year services, improvements, and assessment of real property within the District that will be paid for property owners. Map C shows the PID boundary in relation to the TIRZ.

| Table D |
|-----------------|----------------|----------------|----------------|----------------|
| SOURCES OF INCOME |                 |                |                |                |
| PID Assessments  | $230,730        | $230,730       | $230,730       | $230,730       |
| EXPECTED OUTLAY  | $230,730        | $230,730       | $230,730       | $230,730       |
| Supplemental Services: | $88,730 | $88,730 | $90,730 | $92,730 | $92,730 |
| Security Services | $33,000         | $33,000        | $36,000        | $37,000        | $37,000 |
| Esplanade Maintenance | $36,000 | $36,000 | $45,000 | $45,000 | $45,000 |
| Marketing/Promotion | $30,000 | $30,000 | $30,000 | $30,000 | $30,000 |
| Administration/Legal | $43,000 | $43,000 | $29,000 | $26,000 | $26,000 |
| Landscape Design  | $230,730        | $230,730       | $230,730       | $230,730       |
| Assessment/100 A.V | $0.06/$100     | $0.06/$100     | $0.06/$100     | $0.06/$100     | $0.06/$100 |

Southwest Houston Zone Project Plan & Reinvestment Zone Financing Plan
Hawes Hill & Patterson Consultants, LLP
01/25/00
Over a five-year period, it is anticipated that the District through the commercial property owners will expend approximately $1.2 million to support services and public improvements within the Zone.

The Haliburton Developer will pay for certain development costs within the project area. These costs are reflected in the following table.

**Table E**

<table>
<thead>
<tr>
<th>Non-Project Improvements</th>
<th>Estimated Cost</th>
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<tbody>
<tr>
<td>Land Planning</td>
<td>$ 20,000</td>
</tr>
<tr>
<td>ROW Land Costs</td>
<td>$1,833,000</td>
</tr>
<tr>
<td>Parking Lot Reconstruction</td>
<td>$ 575,000</td>
</tr>
<tr>
<td>Demolition</td>
<td>$2,000,000</td>
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<tr>
<td>Detention</td>
<td>$ 260,000</td>
</tr>
<tr>
<td>Architect Fees</td>
<td>$ 135,000</td>
</tr>
<tr>
<td>Management</td>
<td>$ 288,000</td>
</tr>
<tr>
<td>Legal/Ins./Accounting</td>
<td>$  65,000</td>
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<tr>
<td>Professional Reports</td>
<td>$  15,000</td>
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<tr>
<td>Closing Costs</td>
<td>$2,362,000</td>
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<tr>
<td>Taxes</td>
<td>$1,263,000</td>
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<tr>
<td>Construction Interest</td>
<td>$ 1,000,000</td>
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<tr>
<td><strong>Total Non-Project Development Cost</strong></td>
<td><strong>$9,816,000</strong></td>
</tr>
</tbody>
</table>

IV. STATEMENT OF METHOD OF RELOCATING PERSONS TO BE DISPLACED AS A RESULT OF IMPLEMENTING THE PLAN

The Zone Plan calls for the development of vacant property and the redevelopment of existing properties. Displacement of property owners or residents from the Zone area is not anticipated.
A DETAILED LIST DESCRIBING THE ESTIMATED PROJECT COSTS OF THE ZONE, INCLUDING ADMINISTRATIVE EXPENSES

Table F, G and H list the estimated infrastructure project costs for the Zone. It is anticipated that developers will advance funds for the improvements and will be reimbursed as provided in separate agreements and other documentation between the developers, the Zone, and the Southwest Houston Redevelopment Authority. (All references herein to the Southwest Houston Redevelopment Authority are made in anticipation of its creation). It is anticipated that total project costs will include financing costs associated with the projects. Line item amounts may be adjusted with approval of the Zone Board of Directors and the City.

Table F

Sharpstown Center Public Improvements

<table>
<thead>
<tr>
<th>Sharpstown Center Public Improvements</th>
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</thead>
<tbody>
<tr>
<td>Phase I</td>
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</tr>
<tr>
<td>Street Paving and Sidewalks (5,600 LF)</td>
<td>$ 3,300,000</td>
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<tr>
<td>Water, Sanitary &amp; Storm Sewer</td>
<td>1,500,000</td>
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<tr>
<td>Engineering</td>
<td>600,000</td>
</tr>
<tr>
<td>Street Lights</td>
<td>250,000</td>
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<tr>
<td><strong>Sub-Total</strong></td>
<td><strong>$ 5,650,000</strong></td>
</tr>
<tr>
<td>Phase II</td>
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</tr>
<tr>
<td>Street Paving &amp; Sidewalks (2,900 LF)</td>
<td>$ 1,700,000</td>
</tr>
<tr>
<td>Water &amp; Sanitary &amp; Storm Sewer</td>
<td>800,000</td>
</tr>
<tr>
<td>Engineering</td>
<td>300,000</td>
</tr>
<tr>
<td>Landscaping</td>
<td>600,000</td>
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<tr>
<td>Street Lights</td>
<td>120,000</td>
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<tr>
<td>Financing Costs</td>
<td>10,545,500</td>
</tr>
<tr>
<td><strong>Sub-Total</strong></td>
<td><strong>$ 13,520,000</strong></td>
</tr>
<tr>
<td><strong>Total Sharpstown Center Public Improvements</strong></td>
<td><strong>$ 19,715,500</strong></td>
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<tr>
<td>Area Public Improvements</td>
<td>Estimated Cost</td>
</tr>
<tr>
<td>------------------------------------------------------------------------------------------</td>
<td>----------------</td>
</tr>
<tr>
<td><strong>Intersection/Mobility Improvements (left-turn lanes)</strong></td>
<td></td>
</tr>
<tr>
<td>Bellaire @ Fondren</td>
<td>$ 70,000</td>
</tr>
<tr>
<td>Gessner @ Beechnut</td>
<td>70,000</td>
</tr>
<tr>
<td>Gessner @ Harwin</td>
<td>70,000</td>
</tr>
<tr>
<td>Harwin @ Corporate</td>
<td>70,000</td>
</tr>
<tr>
<td><strong>Protected Turn Lanes @ Esplanades</strong></td>
<td></td>
</tr>
<tr>
<td>Fondren Between SH 59 &amp; Harwin (5)</td>
<td>175,000</td>
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<tr>
<td>Bellaire Between SH 59 &amp; Beltway (10)</td>
<td>350,000</td>
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<tr>
<td><strong>Bus Turn-out Lanes</strong></td>
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</tr>
<tr>
<td>Fondren Between SH 59 &amp; Harwin (6)</td>
<td>60,000</td>
</tr>
<tr>
<td>Bellaire Between Fondren &amp; Beltway (10)</td>
<td>100,000</td>
</tr>
<tr>
<td><strong>Esplanade/Right-of-Way Improvements</strong></td>
<td></td>
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<tr>
<td>Bellaire from SH 59 to Beltway</td>
<td>780,000</td>
</tr>
<tr>
<td>Fondren from SH 59 to Bellaire</td>
<td>280,000</td>
</tr>
<tr>
<td>Gessner from Harwin to Bellaire</td>
<td>200,000</td>
</tr>
<tr>
<td>Gessner from SH 59 to Beechnut</td>
<td>120,000</td>
</tr>
<tr>
<td>Beechnut from SH 59 to Gessner</td>
<td>120,000</td>
</tr>
<tr>
<td>Ranchester within the Zone</td>
<td>120,000</td>
</tr>
<tr>
<td><strong>Sidewalk &amp; Lighting Improvements</strong></td>
<td></td>
</tr>
<tr>
<td>Bellaire from SH 59 to Beltway</td>
<td>286,000</td>
</tr>
<tr>
<td>Fondren from SH 59 to Bellaire</td>
<td>154,000</td>
</tr>
<tr>
<td>Gessner from Harwin to Bellaire</td>
<td>110,000</td>
</tr>
<tr>
<td>Gessner from SH 59 to Beechnut</td>
<td>66,000</td>
</tr>
<tr>
<td>Beechnut from SH 59 to Gessner</td>
<td>66,000</td>
</tr>
<tr>
<td>Club Creek from SH 59 to Beechnut</td>
<td>160,000</td>
</tr>
<tr>
<td>Ranchester within the Zone</td>
<td>66,000</td>
</tr>
<tr>
<td><strong>Club Creek Park Development</strong></td>
<td></td>
</tr>
<tr>
<td>Site Acquisition of 6.6 acres</td>
<td>380,000</td>
</tr>
<tr>
<td>Park Improvements</td>
<td>480,000</td>
</tr>
<tr>
<td><strong>Other Costs</strong></td>
<td></td>
</tr>
<tr>
<td>Financing Costs</td>
<td>5,907,550</td>
</tr>
<tr>
<td>Creation &amp; Administration costs (30 year duration)</td>
<td>970,000</td>
</tr>
<tr>
<td><strong>Total Area Public Improvements</strong></td>
<td>$ 11,230,550</td>
</tr>
</tbody>
</table>
The following table reflects the project specific public improvements related to the development of the Haliburton tract within the TIRZ.

### Table H
**Haliburton Public Improvements**

<table>
<thead>
<tr>
<th>Project Improvements</th>
<th>Estimated Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rogerdale</td>
<td></td>
</tr>
<tr>
<td>Street Paving, Storm Sewer, Sanitary Sewer, Water Lines</td>
<td>$ 2,437,000</td>
</tr>
<tr>
<td>Westchase Way (Access Road to Rogerdale)</td>
<td></td>
</tr>
<tr>
<td>Street Paving, Storm Sewer, Sanitary Sewer, Water Lines</td>
<td>243,000</td>
</tr>
<tr>
<td>General Construction Items (Mobilization, Erosion Control, etc.)</td>
<td>263,000</td>
</tr>
<tr>
<td>Landscaping &amp; Tree Relocation</td>
<td>1,600,000</td>
</tr>
<tr>
<td>Engineering</td>
<td>450,000</td>
</tr>
<tr>
<td>Financing Costs</td>
<td>5,750,000</td>
</tr>
<tr>
<td><strong>Total Haliburton Public Improvements</strong></td>
<td><strong>$10,743,000</strong></td>
</tr>
</tbody>
</table>

II. A STATEMENT LISTING THE KIND, NUMBER, AND LOCATION OF ALL PUBLIC WORKS OR PUBLIC IMPROVEMENTS IN THE ZONE

In addition to the locations listed below, public improvements (landscape, intersection, protected bus turn-out lanes, sidewalk, lighting, esplanade/right-of-way improvements) are slated for the remainder of the zone, where necessary.

**SHARPSTOWN CENTER PUBLIC IMPROVEMENTS**
Street Paving (8,500 LF)
Water & Sanitary Sewer
Storm Sewer
Landscaping
Street Lights
Sidewalks

**ZONE AREA PUBLIC IMPROVEMENTS**
Intersection/Mobility Improvements (left-turn lanes)
- Bellaire @ Fondren
- Gessner @ Beechnut
- Gessner @ Harwin
- Harwin @ Corporate

**Protected Turn Lanes @ Esplanades**
- Fondren Between SH 59 & Harwin (5)
- Bellaire Between SH 59 & Beltway (10)
Bus Turn-out Lanes
Fondren Between SH 59 & Harwin (6)
Bellaire Between Fondren & Beltway (10)
Esplanade/Right-of-Way Improvements
Bellaire form SH 59 to Beltway
Fondren from SH 59 to Bellaire
Gessner from Harwin to Bellaire
Gessner from SH 59 to Beechnut
Beechnut from SH 59 to Gessner
Ranchester within the Zone
Sidewalk & Lighting Improvements
Bellaire from SH 59 to Beltway
Fondren from SH 59 to Bellaire
Gessner from Harwin to Bellaire
Gessner from SH 59 to Beechnut
Beechnut from SH 59 to Gessner
Club Creek from SH 59 to Beechnut
Ranchester within the Zone
Club Creek Park Development
Site Acquisition of 6.6 acres
Park Improvements
Other Costs
Financing Costs*
Creation & Administration costs (30 year duration)
HALIBURTON PROJECT IMPROVEMENTS
Utility Lines
Street & Paving
Detention
Land
Construction
Demolition
Landscaping
Engineering
Construction Interest

III. ECONOMIC FEASIBILITY STUDY

Two Market and Economic Feasibility Studies have been prepared by CDS Market Research that provide an economic overview of the Zone area, a review of market opportunities for major land uses, and the capture potential for retail space. In addition, KMA has prepared a Strategic Plan that outlines the need for the TIRZ and its role in repositioning the Sharpstown Center property. These reports are provided in the Appendix Section of this Plan.
IV. THE ESTIMATED AMOUNT OF BONDED INDEBTEDNESS TO BE INCURRED

The estimated amount of bonded indebtedness to be incurred by the Zone, including both principle and interest, is approximately $42 million.

V. THE TIME WHEN RELATED COSTS OR MONETARY OBLIGATIONS ARE TO BE INCURRED

The time when related costs or monetary obligations are to be incurred is a function of the availability of Zone revenues. Schedule B and B.1 show the time when Zone funds are expected to be available to pay project costs.

VI. A DESCRIPTION OF THE METHODS OF FINANCING ALL ESTIMATED PROJECT COSTS AND THE EXPECTED SOURCES OF REVENUE TO FINANCE OR PAY PROJECT COSTS, INCLUDING THE PERCENTAGE OF TAX INCREMENT TO BE DERIVED FROM THE PROPERTY TAXES OF EACH TAXING UNIT THAT LEVIES TAXES ON REAL PROPERTY IN THE ZONE

Description of the Methods of Financing

In accordance with 311.015 of the Tax Increment Financing Act, the City may issue tax increment bonds or notes, the proceeds of which may be used to pay project costs on behalf of the Zone. Upon creation of the proposed redevelopment authority, the authority may be authorized to incur debt and issue debt or obligations to satisfy developer reimbursements for eligible project costs. If such bonds are issued, bond proceeds shall be used to provide for the project related costs outlined in this plan. When appropriate, Developers will advance project-related costs and be reimbursed through the issuance of bonds, notes or other obligations.

Sources of Tax Increment Revenue:

The purpose of the Zone is to provide the necessary public improvements to support commercial development/redevelopment and some residential development. Schedule A shows the build-out projection and the annual captured appraised value for Sharpstown Center and of the new improvements and increases in value of pre-existing redeveloped properties within the Zone area (Haliburton Project excluded). Schedule A.1 shows the build-out schedule for only the Haliburton Project. Schedule B and B.1 show the projected assessed valuations during the development/build-out period and depicts the Zone revenue schedule with City and County participation for all areas within the Zone.

The CDS Report contains an analysis of current land use and market trends. CDS believes that development of the Haliburton Tract (which represents 25% of the vacant land within the TIRZ) will have a significant impact in stimulating demand and development of the remaining vacant acreage. Their review of existing land use
patterns and trends indicate that due to this stimulus about 75% of the remaining land has the potential to be developed with mid to high density commercial uses including office buildings, motels, and retail space. About 20% have the potential for multi-family and the remaining 5% divided between public/institutional, utility and residential.

As previously stated in this Plan, KMA believes that revitalization of the Sharpstown Center can have a significant impact on the eastern portion of the TIRZ.

Increased property values depicted in schedules are a reflection of the CDS analysis of potential commercial vacant land development within the Haliburton Tract and the remaining vacant land within the TIRZ. Value increases related to the Sharpstown Center revitalization is based on a preliminary plan currently being developed by the Mall ownership.

### Table I

<table>
<thead>
<tr>
<th>Taxing Unit</th>
<th>% Tax Rate Dedicated</th>
<th>% of Total Tax Participation</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Houston</td>
<td>100 ($0.6650/$100)</td>
<td>61%</td>
</tr>
<tr>
<td>Harris County</td>
<td>100 ($0.4166/$100)</td>
<td>39%</td>
</tr>
</tbody>
</table>

VII. **THE CURRENT TOTAL APPRAISED VALUE OF TAXABLE REAL PROPERTY IN THE ZONE**

The total current appraised value within the Zone is $756,454,323.

VIII. **THE ESTIMATED CAPTURED APPRAISED VALUE OF THE ZONE DURING EACH YEAR OF ITS EXISTENCE**

The estimated captured appraised value of the Zone during each year of its existence is shown in Exhibit A and A.1.

IX. **DURATION OF THE ZONE**

The duration is 30 years.
### Schedule A

**Proposed Southwest Houston Reinvestment Zone**

**Buildout Schedule (Non Haliburton Area)**

**Estimated Captured Appraised Value**

<table>
<thead>
<tr>
<th>Project Description</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Construction</td>
<td>Captured Value (K)</td>
<td>Construction</td>
<td>Captured Value (K)</td>
<td>Construction</td>
<td>Captured Value (K)</td>
<td>Construction</td>
<td>Captured Value (K)</td>
<td>Construction</td>
<td>Captured Value (K)</td>
</tr>
<tr>
<td>Harpstown Center</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Phase I &amp; II New Retail</td>
<td></td>
<td>$7,200</td>
<td></td>
<td>$7,200</td>
<td></td>
<td>$2,600</td>
<td></td>
<td>$2,600</td>
<td></td>
<td>$2,600</td>
</tr>
<tr>
<td>IRZ Area</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Residential Development</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>New Office (Beltway)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>New Office (Beechnut)</td>
<td></td>
<td>$9,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Retail</td>
<td>$250</td>
<td></td>
<td>$250</td>
<td></td>
<td></td>
<td>$500</td>
<td></td>
<td></td>
<td>$500</td>
<td></td>
</tr>
<tr>
<td>Office Redevelopment</td>
<td></td>
<td>$2,000</td>
<td></td>
<td>$2,000</td>
<td></td>
<td>$2,000</td>
<td></td>
<td>$2,000</td>
<td></td>
<td>$2,000</td>
</tr>
<tr>
<td>Multi-Family Redevelopment</td>
<td></td>
<td>$500</td>
<td></td>
<td>$500</td>
<td></td>
<td>$1,000</td>
<td></td>
<td>$1,500</td>
<td></td>
<td>$1,000</td>
</tr>
<tr>
<td>Total Captured Value</td>
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<td></td>
<td>$250</td>
<td></td>
<td>$7,450</td>
<td></td>
<td>$19,200</td>
<td></td>
<td>$6,500</td>
<td></td>
</tr>
</tbody>
</table>

**Note**

1. Captured value is presented in thousands of dollars.
2. Residential property valuations include exemptions.
3. Appraised Values do not include Haliburton Project.
# Schedule A.1
Southwest Houston Reinvestment Zone
Buildout Schedule (Haliburton Project Only)
Estimated Captured Appraised Value

<table>
<thead>
<tr>
<th>Project Description</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Construction</td>
<td>Captured Value (K)</td>
<td>Construction</td>
<td>Captured Value (K)</td>
<td>Construction</td>
<td>Captured Value (K)</td>
<td>Construction</td>
<td>Captured Value (K)</td>
</tr>
<tr>
<td>Base</td>
<td></td>
<td>-$11,192</td>
<td>$23,468</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acreage</td>
<td></td>
<td>$23,468</td>
<td>$23,468</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Warehouse Construction</td>
<td></td>
<td>$6,000</td>
<td>$4,000</td>
<td>$4,000</td>
<td>$8,000</td>
<td>$4,000</td>
<td>$4,000</td>
<td>$4,000</td>
</tr>
<tr>
<td>Office Service Center</td>
<td></td>
<td>$4,000</td>
<td>$4,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Office Construction</td>
<td></td>
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<td>$25,000</td>
<td>$25,000</td>
<td>$25,000</td>
<td>$10,000</td>
<td>$10,000</td>
<td></td>
</tr>
<tr>
<td>Retail</td>
<td></td>
<td>$0</td>
<td>$0</td>
<td>$16,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Captured Value</td>
<td>$12,296</td>
<td>$25,000</td>
<td>$36,166</td>
<td>$45,000</td>
<td>$25,000</td>
<td>$22,000</td>
<td>$8,000</td>
<td>$14,000</td>
</tr>
</tbody>
</table>

Note
1. Captured value is presented in thousands of dollars.
# Schedule B

**Proposed Southwest Houston Reinvestment Zone**

**Revenue Schedule (Non Haliburton Area)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Tax Incremental</th>
<th>Cumulative Incremental</th>
<th>City TIRZ Collections Incremental</th>
<th>County TIRZ Collections Incremental</th>
<th>Total Annual TIRZ Collections Incremental</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Value</td>
<td>Value</td>
<td>Tax Rate</td>
<td>Value</td>
<td>Value</td>
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<tr>
<td>1999</td>
<td>Base</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2001</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2002</td>
<td>$ 250,000</td>
<td>$ 250,000</td>
<td>$ 0.66500</td>
<td>$ 0.41660</td>
<td>$ 1,613</td>
</tr>
<tr>
<td>2003</td>
<td>$ 745,000</td>
<td>$ 77,000</td>
<td>$ 0.66500</td>
<td>$ 0.41660</td>
<td>$ 49,669</td>
</tr>
<tr>
<td>2004</td>
<td>$ 19,200,000</td>
<td>$ 26,900</td>
<td>$ 0.66500</td>
<td>$ 0.41660</td>
<td>$ 173,518</td>
</tr>
<tr>
<td>2005</td>
<td>$ 6,500,000</td>
<td>$ 33,400</td>
<td>$ 0.66500</td>
<td>$ 0.41660</td>
<td>$ 215,447</td>
</tr>
<tr>
<td>2006</td>
<td>$ 14,100,000</td>
<td>$ 47,500</td>
<td>$ 0.66500</td>
<td>$ 0.41660</td>
<td>$ 306,399</td>
</tr>
<tr>
<td>2007</td>
<td>$ 10,350,000</td>
<td>$ 57,850</td>
<td>$ 0.66500</td>
<td>$ 0.41660</td>
<td>$ 373,161</td>
</tr>
<tr>
<td>2008</td>
<td>$ 10,850,000</td>
<td>$ 58,700</td>
<td>$ 0.66500</td>
<td>$ 0.41660</td>
<td>$ 443,149</td>
</tr>
<tr>
<td>2009</td>
<td>$ 8,450,000</td>
<td>$ 77,150</td>
<td>$ 0.66500</td>
<td>$ 0.41660</td>
<td>$ 497,656</td>
</tr>
<tr>
<td>2010</td>
<td>$ 77,150</td>
<td>$ 77,150</td>
<td>$ 0.66500</td>
<td>$ 0.41660</td>
<td>$ 497,656</td>
</tr>
<tr>
<td>2011</td>
<td>$ 77,150</td>
<td>$ 77,150</td>
<td>$ 0.66500</td>
<td>$ 0.41660</td>
<td>$ 497,656</td>
</tr>
<tr>
<td>2012</td>
<td>$ 77,150</td>
<td>$ 77,150</td>
<td>$ 0.66500</td>
<td>$ 0.41660</td>
<td>$ 497,656</td>
</tr>
<tr>
<td>2013</td>
<td>$ 77,150</td>
<td>$ 77,150</td>
<td>$ 0.66500</td>
<td>$ 0.41660</td>
<td>$ 497,656</td>
</tr>
<tr>
<td>2014</td>
<td>$ 77,150</td>
<td>$ 77,150</td>
<td>$ 0.66500</td>
<td>$ 0.41660</td>
<td>$ 497,656</td>
</tr>
<tr>
<td>2015</td>
<td>$ 77,150</td>
<td>$ 77,150</td>
<td>$ 0.66500</td>
<td>$ 0.41660</td>
<td>$ 497,656</td>
</tr>
<tr>
<td>2016</td>
<td>$ 77,150</td>
<td>$ 77,150</td>
<td>$ 0.66500</td>
<td>$ 0.41660</td>
<td>$ 497,656</td>
</tr>
<tr>
<td>2017</td>
<td>$ 77,150</td>
<td>$ 77,150</td>
<td>$ 0.66500</td>
<td>$ 0.41660</td>
<td>$ 497,656</td>
</tr>
<tr>
<td>2018</td>
<td>$ 77,150</td>
<td>$ 77,150</td>
<td>$ 0.66500</td>
<td>$ 0.41660</td>
<td>$ 497,656</td>
</tr>
<tr>
<td>2019</td>
<td>$ 77,150</td>
<td>$ 77,150</td>
<td>$ 0.66500</td>
<td>$ 0.41660</td>
<td>$ 497,656</td>
</tr>
<tr>
<td>2020</td>
<td>$ 77,150</td>
<td>$ 77,150</td>
<td>$ 0.66500</td>
<td>$ 0.41660</td>
<td>$ 497,656</td>
</tr>
<tr>
<td>2021</td>
<td>$ 77,150</td>
<td>$ 77,150</td>
<td>$ 0.66500</td>
<td>$ 0.41660</td>
<td>$ 497,656</td>
</tr>
<tr>
<td>2022</td>
<td>$ 77,150</td>
<td>$ 77,150</td>
<td>$ 0.66500</td>
<td>$ 0.41660</td>
<td>$ 497,656</td>
</tr>
<tr>
<td>2023</td>
<td>$ 77,150</td>
<td>$ 77,150</td>
<td>$ 0.66500</td>
<td>$ 0.41660</td>
<td>$ 497,656</td>
</tr>
<tr>
<td>2024</td>
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<td>$ 77,150</td>
<td>$ 0.66500</td>
<td>$ 0.41660</td>
<td>$ 497,656</td>
</tr>
<tr>
<td>2025</td>
<td>$ 77,150</td>
<td>$ 77,150</td>
<td>$ 0.66500</td>
<td>$ 0.41660</td>
<td>$ 497,656</td>
</tr>
<tr>
<td>2026</td>
<td>$ 77,150</td>
<td>$ 77,150</td>
<td>$ 0.66500</td>
<td>$ 0.41660</td>
<td>$ 497,656</td>
</tr>
<tr>
<td>2027</td>
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<td>$ 77,150</td>
<td>$ 0.66500</td>
<td>$ 0.41660</td>
<td>$ 497,656</td>
</tr>
<tr>
<td>2028</td>
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<td>$ 77,150</td>
<td>$ 0.66500</td>
<td>$ 0.41660</td>
<td>$ 497,656</td>
</tr>
<tr>
<td>2029</td>
<td>$ 77,150</td>
<td>$ 77,150</td>
<td>$ 0.66500</td>
<td>$ 0.41660</td>
<td>$ 497,656</td>
</tr>
</tbody>
</table>

Total: $12,013,734 $7,528,108 $19,541,842
### Schedule B.1
Southwest Houston Reinvestment Zone
Revenue Schedule (Haliburton Project Only)

<table>
<thead>
<tr>
<th>Tax Roll Year</th>
<th>Collection Year</th>
<th>Incremental Assessed Valuation</th>
<th>Cumulative Assessed Valuation</th>
<th>City TIRZ Collections Available</th>
<th>County TIRZ Collections Available</th>
<th>Total Annual TIRZ Collections Available</th>
<th>Cumulative TIRZ Collections Available</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999</td>
<td>Base</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2000</td>
<td>2001</td>
<td>12,295,820</td>
<td>12,295,820</td>
<td>$0.6500</td>
<td>$0.4166</td>
<td>$79,314</td>
<td>$4,968</td>
</tr>
<tr>
<td>2001</td>
<td>2002</td>
<td>25,000,000</td>
<td>37,295,820</td>
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|                             | $32,481,839      | $20,348,648                    | $52,830,286                    |                                 |                                     |                                         |                                      |
## Southwest Houston Reinvestment Zone

### Revenue Schedule (Total Zone Area)

<table>
<thead>
<tr>
<th>Tax Roll Year</th>
<th>Incremental Assessed Valuation</th>
<th>Incremental Assessed Valuation</th>
<th>City Collections Available</th>
<th>County TIRZ Collections Available</th>
<th>Total Annual TIRZ Collections Available</th>
<th>Cumulative Collections</th>
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| Total | $44,495,372 | $27,874,846 | $72,370,217 |

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Note: The table above provides a detailed breakdown of the revenue schedule for the Southwest Houston Reinvestment Zone from 1999 to 2030, showing the incremental assessed valuation, city collections available, county TIRZ collections available, and total annual TIRZ collections available. The schedule is a critical tool for understanding the financial performance of the zone over time, allowing for informed decision-making and resource allocation.
MARKET & ECONOMIC FEASIBILITY ANALYSIS

PROPOSED SOUTHWEST REINVESTMENT ZONE

Prepared for:
The Staubach Company
One Riverway
Suite 1850
Houston, Texas 77056

Prepared by:
CDS Market Research
9225 Katy Freeway
Suite 322
Houston, Texas 77024

May 1999
May 12, 1999

Mr. Stephen F. Peacock
The Staubach Company
One Riverway, Suite 1850
Houston, Texas 77056

Dear Mr. Peacock:

The following report is designed to supplement the original Sharpstown Tax Increment Redevelopment Zone market and economic feasibility study dated October 1997. The February 1999 market study addressing the 174 acre Haliburton Tract is attached as an addendum to the 1997 report.

The original report addressed the area’s market conditions as well as social and economic implications and concerns of community and business leaders in the Village of Sharpstown. The February 1999 study addressed market conditions and development trends relative to the Haliburton Tract and the proposed Southwest TIRZ.

The new May 1999 market study consolidates elements of both of the previous reports. This report addresses specific issues pertinent to the formation of the proposed Southwest TIRZ based on its expanded boundaries.

Based on the findings of the three studies, we have concluded that sufficient market demand and conditions exist to support the proposed commercial land uses in the Haliburton Tract and the proposed Zone. In conclusion, improvements in the Zone will significantly enhance the value of all the taxable real property in the Zone and will be of general benefit to the City of Houston.

We remain available to answer any questions concerning our analysis and report.

Sincerely,

R. Kent Dussair  
President

David Fretwell  
Market Analyst
The area included within the boundaries of the proposed Southwest TIRZ is the type of area that public financing vehicles were designed to assist. The tax base is near a low point in valuation while new development patterns are occurring in near proximity. Haliburton is a major property owner having the capability of carrying out a major development program that will be a catalyst to others. Creation of the Southwest TIRZ will expedite private development throughout the proposed zone area. To illustrate the positive results that can occur through thoughtful implementation of public financing, we have prepared a case study which includes several areas within Houston that have benefited from the process.

**The Impact of Public Investment – A Case Study**

The Sharpstown and the Greenspoint Areas are similar in respect to typical suburban development. Both areas are located 10 to 12 miles from Downtown Houston. In the 1960s, the areas were initially bedroom residential communities with limited local employment opportunities. Sharpstown residential development represented a planned residential community with available city infrastructure. In comparison, the Greenspoint Area consisted of low-density rural residential development based on suburban sprawl without public infrastructure.

As a result of the completion of Houston Intercontinental Airport and population growth and expansion in the northern and southwestern sectors of the city, more residential development occurred. Neighborhoods matured and supported the feasibility of regional malls. The malls became the focal point for additional commercial development comprising office, retail, institutional and multi-family residential land uses. In time, peripheral retail and related commercial land uses developed along the major freeways and streets.

Greenspoint developed into one of the largest corporate business center in the Houston Area with high-density office, hotel/motel, retail and multi-family land uses. The primary reason for its successful development was its excellent accessibility by regional highways and toll roads, proximity to Downtown Houston and The Woodlands. Intercontinental Airport was a contributing factor since it is the major economic force in the area.

In comparison, Sharpstown emerged from a residential suburb with extensive single- and multi-family development to a suburban commercial environment. The area also feature good accessibility to major employment centers such as the Galleria, Greenway Plaza, The Medical Center and Downtown. Commercial development did not include a business district but focused around the Mall. Overall development included a mix of supportive office, motel/hotel, retail with a lower density of
commercial land uses affected by suburban sprawl. Development was scattered and not highly concentrated and generally occurring along or in close proximity to US Highway 59.

In the 1980s, the Houston area was negatively affected by a downturn in the regional economy causing a recession. The economy was affected by declining demand for manufacturing, goods and services resulting in high unemployment. Real estate development was over-built because of speculation. Market rents and occupancies declined due to oversupply prompting deteriorating physical conditions of many properties. Many vacant tracts of land were purchased at the peak-height of the real estate market for speculative investments and remain undeveloped.

At the same time, the two neighborhoods matured and entered a stage of overall deterioration affected by age and the lack of public and private renewal. This stage in a neighborhood life cycle is symptomatic of urban decay found in most major metropolitan areas. The communities were also affected by rapidly changing social and economic forces.

New residential and commercial development in the City/County leaped over the two areas. Northern Houston saw significant new development along and north of (FM/1960 Champions), Kingwood and South Montgomery County (The Woodlands). In Southwest Houston, the area adjoining northeast Fort Bend County and in particular Missouri City, Stafford and Sugar Land/First Colony were impacted the most.

In the mid 1990s, the Greenspoint and Sharpstown areas continued to be impacted by deteriorating conditions, high rates of crimes and declining market conditions for most properties. Changing population and household income trends further impacted the economic viability of the neighborhoods. Without economic incentive or stimulus for revitalization, these neighborhoods will continue to deteriorate entering a phase of blight cause by disrepair and abandonment. The net effect is an eroding tax base affected by declining assessed property values and retail sale taxes.

At the same time, competitive development in newer outlying residential suburban areas would hasten the already physical deterioration of apartments, office buildings, retail and single-family land uses in the communities. Many of the apartment complexes became low-income tax properties. Aging office buildings were reclassified from "A and B" to "B, C and D". Retail space in the two malls would be affected by demographic trends affecting household disposable incomes causing the decline in annual retail sales volume. This forced the closing of several large mall department stores and the conversion of the Westwood Mall from a retail center to a potential
Neighborhood and strip centers were affected by changes in tenant profiles and declining rental rates. Single-family residential housing resale market was affected by declining property values through 1996.

Within Houston, areas like Memorial Heights, the Third Ward and even in peripheral areas near Downtown Houston including Mid-Town and the Fourth Ward illustrate and document the impact of urban renewal on the transition of inner city neighborhoods and business areas affected by urban blight. Without urban renewal, these areas of the City were affected by stagnation, deterioration of public and private properties and abandonment caused by aging infrastructure, crime and the eroding economic and social conditions. This caused property owners to relocate to other inner city neighborhoods with affordable housing or migrate to the outlying suburbs to obtain a sense of place and security.

Explosive population growth and employment expansion in northern Harris County, southern Montgomery County and northeastern Fort Bend County demonstrate this latest trend. Until the last few years, the City of Houston actually lost population and jobs to the unincorporated areas of Harris County and surrounding counties. The mid-to late 1990s indicate a reversal of the negative migration trend caused by in-fill associated with revival of inner City neighborhoods located within TIRZs. The Zones have had a positive influence on redevelopment and new development.

A solution to urban decay is now available and economically feasible. For the City to achieve its long-term objectives to prevent additional deterioration of market, economic and social conditions and maintain a positive flow of revenues needed to support the operation of City, County and HISD budgets, revitalization is now warranted. For this to occur, the City must take a leadership role and create the Southwest TIRZ to provide the stimulus that will allow revitalization to occur in the Zone.

The following summarizes the real time scenario of a partnership of involving public funding which creates the incentives and stimulates private investment where the overall financial risk normally assumed by the developers is also shared by government entities.

**Greater Greenspoint District**

The Greater Greenspoint District has 96 office buildings consisting of single- and multi-tenant space. Commercial space including the office buildings, mall and peripheral retail development totals about 13 million square feet. Within a 3-mile radius of Greenspoint, the population is 74,000 and 36,000 people work within this radius. A 5-mile radius has 68,400 employees.
Approximately 1,100 companies are located within the district's boundary. About 18 companies have their U.S. or world headquarters in Greenspoint and over 50 multinational corporate tenants office in the district. The Greater Greenspoint District is the home, too, of more than 80 energy-related companies, second only to downtown Houston.

The Greenspoint area is approximately 17 to 20 years in age based on development of the mall and surrounding office buildings. The recession in the mid-1980s negatively affected market conditions for apartments, office and retail in the area and was the primary economic force behind the area's decline.

Currently, the Greenspoint area has reached a positive turning point after decade of decline. The area is now experiencing revitalization based on the combined efforts of the City, community and business leaders. This suburban area illustrates how public and private participation encourage and energize development and redevelopment.

1) Retail - The Greenspoint Mall was recently sold and the new owner plans to renovate the property and position the mall in the long term as a world-class entertainment center with a theatre, theme restaurants and activities.

2) Apartment - Archon Group has purchased 24 apartment complexes consisting of 5,150 units. The developer plans to redevelop the area and the properties transforming the deteriorating complexes into an attractive community known as CityView. The unit mix will include a wide range including executive-style corporate apartments. The CityView development will include public amenities (parks and other recreational facilities) available to the entire community. This acquisition represents a capital investment in excess of $130 million over the next three years. The purchase was made possible by the Greater Greenspoint District creation of the new Greenspoint Tax Increment Reinvestment Zone.

3) Office-New Development - Two new office buildings are under construction totaling about 200,000 square feet. Additionally, Hines is expanding the Greenspoint Plaza One, ABS Building, to 220,000 square feet. The 74,000 square feet addition will accommodate American Bureau of Shipping future expansion for 250 employees.

4) Office-Redevelopment - Texas Land and Building Co. plans to redevelop four office buildings containing 235,000 square feet of office space. In addition, two other property owners have announced renovations exceeding $500,000 for the Greenspoint 255 and Tower Park North office buildings.
**Houston Midtown**

Midtown is an excellence example of inner city revitalization that can occur through the formation of a TIRZ as a stimulus for private investment and public infrastructure. From 1995 to July 1998, about 48 residential and commercial projects with new construction costs totaling $164,472,000 were commenced. Exempted values totaled only $17,550,000 or almost 11% of the gross new construction costs. Population in the 600-acre district totaled 500 in 1990. Projections for 2000 should exceed 5,000 based on construction of more than 1,500 town homes and apartments that are under construction or planned.

Neighborhood renewal stimulated demand for a variety of commercial uses comprising new and renovated office space, motel, professional medical and law offices, a theater, retail centers, car sales and service, gas station and automotive repairs and service, a full service bank and office warehousing. Residential development consists of new and renovated residential dwelling including single-family, town homes, apartments, fourplexes and assisted care units.

Market demand for available sites in Midtown remains strong with approximately 27 closings or pending sales since February 1997. Nine of the transactions occurred in 1998, seven thus far in 1999 of which three are pending. This represents the upside potential in terms of private investment into a city neighborhood that remained blighted and economically depressed for almost two decades.

In summary, the City's commitment to revitalize neighborhoods in terms of public infrastructure reduces the overall financial risk assumed by private developers, stimulates market demand and accelerates the overall development horizon for properties with good development and redevelopment potential.

**Haliburton Tract – 174 Acre Business Center**

The Haliburton Tract consists of a 174.2-acres located at the northwesterly corner of the intersection of Bellaire Boulevard and West Belt. The Haliburton Tract is partially developed as a business/employment center with Brown and Root/MI Corporation already established.

This area of the proposed Zone separates the pattern of land uses in the northern sector of the West Belt Corridor from the southern sector of the Corridor. The southern sector along the West Belt Corridor (south of Bellaire Boulevard) is low intensity suburban commercial, including big box retailers (Home Depot/Auchan Hyper-Mart/Big K Mart) and scattered multi-family apartments.
The preliminary plans for the proposed Haliburton Tract include the following land uses:

<table>
<thead>
<tr>
<th>Land Use</th>
<th>Square Feet</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail</td>
<td>185,000</td>
<td>9.0</td>
</tr>
<tr>
<td>Office</td>
<td>1,316,000</td>
<td>64.1</td>
</tr>
<tr>
<td>Warehouse</td>
<td>260,000</td>
<td>12.7</td>
</tr>
<tr>
<td>Office Service Center</td>
<td>292,000</td>
<td>14.2</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>2,053,000</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

Although major portions of West Belt land were built prior to the physical completion of the toll road, an emerging pattern of land usage for the undeveloped portions of the Corridor can be identified. Generally, the area south of Westheimer Road is part of the very successful Westchase development. The emerging development pattern is high-density office buildings to mid-density commercial development along the west side and lower intensity uses on the east side including mid-density residential. This development pattern is well established and currently ongoing along West Belt between Westheimer Road and West Park Boulevard.

The Haliburton Tract is obviously a strategically located transitional property. The proposed development will extend the pattern of mid- to high intensity urban land uses (office/employment) occurring north of Westpark Boulevard south to Bellaire Boulevard.

Development of the Haliburton Tract is planned over a 12 years period. At this time, the development will consist of a high-density mix-use office business center. The business center will create significant employment which will have a positive effect on Sharpstown in terms of retail and restaurant sales, business development (goods and services), and stimulate demand for quality housing units both renovated and new. Additional development will be drawn along the southern corridor of the Zone during the first phases of development within the Haliburton Tract.

However, the proposed development will not move forward in the near future without the establishment of the Southwest TIRZ. The Southwest TIRZ is critical to the type of future development that occurs along the West Belt Corridor. Clearly the pattern of high-density development north of the (business/employment) is the most probable use of the Haliburton Tract and the West Belt Corridor if the TIRZ is created.

As indicated in the February 1999 market study, the population and employment forecasts prepared by H.G.A.C. indicated a net population loss and a modest increase in employment for the Sharpstown area. As a percent of regional employment decreases, this indicates a somewhat stagnant employment base.
From the perspective of the social and economic characteristics of the resident population and employment growth trends, the Sharpstown Study Area is described as a cosmopolitan urban center. In view of the foregoing and other factors, it is our opinion the Sharpstown Area has the potential to become an urban destination center.

To achieve this, it will be necessary to expand and improve the employment base, upgrade the infrastructure and the housing inventory and stabilize the retail base. As stated in the preceding market studies, the Sharpstown Area experienced almost continuous development between 1960 and 1985, when the area was essentially abandoned by the private sector. Under current conditions and circumstances, private sector developers and financiers will focus their attention on the newer and more attractive areas in West Harris County and Fort Bend County. Therefore, the transition to an urban destination environment is not likely to occur except for the creation of the Southwest TIRZ.

**Land Use in the Proposed Southwest TIRZ**

The proposed Zone totals 2051.63 acres. The following table illustrates the existing land uses within the boundaries of the Zone.

<table>
<thead>
<tr>
<th>Type</th>
<th>Acreage</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial</td>
<td>1,017.23</td>
<td>49.58</td>
</tr>
<tr>
<td>Vacant</td>
<td>545.85</td>
<td>26.60</td>
</tr>
<tr>
<td>Multi-family</td>
<td>353.97</td>
<td>17.25</td>
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<tr>
<td>Public/Institutional</td>
<td>95.92</td>
<td>4.57</td>
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<tr>
<td>Utility</td>
<td>1.72</td>
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<tr>
<td>Residential</td>
<td>2.70</td>
<td>0.13</td>
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Commercial development represents almost 50% of the total developed land area acres. Vacant acreage was second with 27%. The majority of vacant land is found in the western and southern sectors of the proposed Zone in areas clearly left undeveloped by potential developers. Of the total vacant land, the Haliburton Tract will comprise about 25%. Its development will have a significant impact in stimulating demand and development of the remaining vacant acreage. Multi-family residential was third with 17%.

A review of the existing land use patterns and trends indicated about 75% of the remaining vacant land will be developed with mid- to high density commercial uses including office buildings, motels and retail space. About 20% will be multi-family and the remaining 5% divided between public/institutional, utility and residential as currently proportion.
Sales Tax and Property Values

A ten (10) year history of the annual dollar amounts subject to sales tax and the calculated municipal sales tax revenues within the proposed boundaries is presented in the table below. This information was provided by the State of Texas' Office of the Comptroller and is illustrated as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount Subject To Sales Tax History</th>
<th>Municipal Sales Tax Revenues</th>
<th>% Increase/Decrease</th>
</tr>
</thead>
<tbody>
<tr>
<td>1989</td>
<td>$738,178,898</td>
<td>$7,381,789</td>
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<tr>
<td>1990</td>
<td>$747,884,050</td>
<td>$7,478,841</td>
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<td>1991</td>
<td>$744,519,448</td>
<td>$7,445,194</td>
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<td>1992</td>
<td>$789,421,063</td>
<td>$7,894,211</td>
<td>6.03%</td>
</tr>
<tr>
<td>1993</td>
<td>$817,694,231</td>
<td>$8,176,942</td>
<td>3.58%</td>
</tr>
<tr>
<td>1994</td>
<td>$818,637,872</td>
<td>$8,166,379</td>
<td>-0.13%</td>
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<td>1995</td>
<td>$777,454,233</td>
<td>$7,774,542</td>
<td>-4.80%</td>
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<tr>
<td>1996</td>
<td>$715,428,537</td>
<td>$7,154,285</td>
<td>-7.98%</td>
</tr>
<tr>
<td>1997</td>
<td>$688,425,161</td>
<td>$6,884,252</td>
<td>-3.77%</td>
</tr>
<tr>
<td>1998</td>
<td>$689,298,115</td>
<td>$6,892,981</td>
<td>0.13%</td>
</tr>
<tr>
<td>Totals</td>
<td>$7,524,941,608</td>
<td>$75,249,418</td>
<td></td>
</tr>
</tbody>
</table>

Municipal Sales Tax Trends

The table illustrates that the annual dollar amounts subject to sales tax and the corresponding municipal sales tax revenues peaked in 1993 totaling $817,694,231 and $8,176,942, respectively. Since 1993, the municipal sales tax receipts have declined about 16%. In 1997, the annual amount subject to sales tax totaled $688,425,161 with municipal sales tax revenue totaling $6,884,252. Revenues in 1998 indicate a 0.13% gain.

In comparison, the 1998 figures are 6.62% less than the sales tax receipts generated in 1989. The mid-1990s coincided with a strong economy in the Houston area. The area within the proposed Zone had declining sales tax revenues.

Historical trends since 1993 indicate declines in sales tax revenues can be attributed to eroding or stagnant conditions in the Sharpstown area. If the current trend remains positive as in 1998, the data infers about 5 years will be required to recapture lost revenues equal to the amount reached in 1993. At best, small increases will be realized since retail goods and services have rebounded in part to the effects of positive economic conditions. This assumes a long period of time without any significant change in existing land uses patterns or new development.
Property Valuation Trends

A eleven (11) year history of property valuations within the proposed TIRZ boundaries was analyzed and summarized within this section of this report. Baca Land Data, Inc. provided this information.

Property value trends declined 21.57% or 3% per year from $829,548,648 in 1989 to $650,599,050 in 1996. In the mid-1990s, a strong economy fueled by population and employment growth stimulated market demand for commercial and residential properties in the Houston Area, reversing an overall downward valuation trend. Since 1996, property values within the proposed Zone have increased. However, the 1999 valuation ($765,454,320) is still less than the 1993 valuation totaling $771,736,240 and considerably less than the 1989 total of $829,548,648.

A cooling economy with minimum or flat job growth can be expected to slow or even reverse this trend since the overall neighborhood is still aging and has not benefited from an infusion of public infrastructure or private investment. Public infrastructure as identified in the previous reports and private investment consisting of a high-density business center will energize new development and redevelopment of low- to mid office, retail and office service and multi-family in the Zone needed to offset the deteriorating socio-economic conditions.

Proposed Southwest Boundaries

The proposed Southwest TIRZ boundaries can be define as follows:

North: Harwin Road/Westpark
South: Bissonnet
East: US Highway 59 South (Southwest Freeway)
West: Sam Houston Toll Road (Beltway 8) and areas just west and north of Beechnut

The boundary of the previously proposed Sharpstown TIRZ varies significantly from the proposed Southwest TIRZ. The Sharpstown TIRZ boundaries initially were Westpark on the north, Bissonnet and US Highway 59 on the south, Hillcroft and US Highway 59 on the east and along the east side of the Sam Houston Toll Road (Beltway 8) to the west. Both boundaries exclude most of the established residential neighborhoods.
Conclusions

- The formation of the Southwest TIRZ is necessary to stabilize the community from deteriorating conditions attributed to an aging neighborhood. Without the benefit of an infusion of public funds to revitalize the community infrastructure, the area will continue to languish. The Zone will stimulate or energize private investment for new and redevelopment of commercial and multi-family properties. Overall market and economic conditions remain strong and support the feasibility of additional commercial development. However, surrounding western and southwest suburban communities have benefited from the majority of new commercial and residential development in the Southwest area while significant acreage of desirable vacant land remains undeveloped. This acreage has remained so for almost two decades.

- The purpose of the proposed TIRZ is to facilitate the development and redevelopment of commercial properties through the revitalization of the Bellaire corridor, commercial retail sector and commercial development of the vacant land in the Zone. The public financed infrastructure within the Zone includes water, wastewater, drainage, street paving, intersection improvements, landscaping and streetscapes, hiking and biking trails and mobility improvements. The formation of the Zone will reestablish a sense of pride, place, security and comfort that has eroded over time. The Zone will stabilize and improve declining sale taxes and established consistency of land uses. Additionally, the Zone will strengthen the character of the community by reversing the physical deterioration associated with most of the older multi-family and commercial properties through revitalization.

- The creation of the proposed Southwest TIRZ will stabilized if not increase the taxable value of properties in the Zone, establish a business center and create employment. New development and redevelopment will be energized and the residents of Sharpstown and the City of Houston as a whole will benefit during the next 20 years.

- The mix of public improvements with private enterprise is definitely a challenging concept. Development of the Haliburton Tract as a high-density mixed-use office business or employment center and most of the vacant land will not likely occur in the near future without the completion of the public infrastructure necessary for its development. Significant redevelopment will not occur unless a partnership is formed that reduces the overall financial risks.

- The TIRZ will accelerate the development schedule and integrate the undeveloped vacant land into an area of higher-density land use. Its formation as proposed
complements established land uses consisting of apartments, office, hotels/motels, retail and office service and distribution facilities in the immediate area.

- The high-density mixed-use commercial development in suburban environments is not a new concept and most certainly is well accepted in the Houston Area. Based upon our findings, we are of the opinion that the site supported by the Market Area/Southwest population and employment base is supportive of the proposed land uses and is a good concept. The synergistic effect of the Haliburton Tract's mixed-use development plan in the Zone is expected to stimulate the degree of market acceptance for the remaining vacant sites. Therefore, the improved marketability of the Zone, land development and space utilization will most likely occur at an accelerated pace.

- Economic indicators and market conditions continue to positively influence the Houston CMSA and the Market Area stimulating employment and demand for new residential dwellings and supportive commercial and industrial development in the area.

- In conclusion, improvements in the Zone will significantly enhance the value of all the taxable real property in the Zone and will be of general benefit to the City of Houston.
ADDENDUM
Exhibit 1
Proposed Southwest TIRZ Boundaries
AN ORDINANCE APPROVING THE FOURTH AMENDED PROJECT PLAN AND REINVESTMENT ZONE FINANCING PLAN FOR REINVESTMENT ZONE NUMBER TWENTY, CITY OF HOUSTON, TEXAS (SOUTHWEST HOUSTON ZONE); INCREASING THE PORTION OF TAX INCREMENT THE CITY WILL PAY FROM CERTAIN AREA ANNEXED INTO THE ZONE; EXTENDING THE DURATION OF THE ZONE TO DECEMBER 31, 2040; CONTAINING FINDINGS AND OTHER PROVISIONS RELATED TO THE SUBJECT; PROVIDING FOR SEVERABILITY; AND DECLARING AN EMERGENCY.

WHEREAS, by Ordinance No. 1999-1330 adopted on December 15, 1999 (the "Creation Ordinance"), the City Council of the City of Houston, Texas ("City") created Reinvestment Zone Number Twenty, City of Houston, Texas ("Zone") pursuant to Chapter 311 of the Texas Tax Code, as amended ("Code"), for the purposes of redevelopment in the area of the City generally referred to as Southwest Houston; and

WHEREAS, the Board of Directors of the Zone considered and adopted, and on April 19, 2000, by Ordinance No. 2000-310, the City approved, the Project Plan and Reinvestment Zone Financing Plan for the Zone (hereinafter, as amended, "Plans"); and

WHEREAS, Section 311.011 of the Code authorizes the Board of Directors of the Zone to adopt an amendment to the Plans with approval by City Council; and

WHEREAS, the Board of Directors of the Zone considered and adopted, and on February 18, 2009, by Ordinance No. 2009-111, the City Council approved, a first amendment to the Plans; and

WHEREAS, the Board of Directors of the Zone considered and adopted, and on March 20, 2013, by Ordinance No. 2013-213, the City Council approved, a second amendment to the Plans ("Second Amendment"); and
WHEREAS, in conjunction with the Second Amendment, on March 20, 2013, by Ordinance No. 2013-212, the City Council approved the annexation of additional territory into the Zone ("2013 Annexation Area");

WHEREAS, the Board of Directors of the Zone considered and adopted, and on November 4, 2015, by Ordinance No. 2015-1052, the City approved, a third amendment to the Plans ("Third Amendment"); and

WHEREAS, in conjunction with the Third Amendment, on November 4, 2015, by Ordinance No. 2015-1051 ("2015 Boundary Change Ordinance"), the City Council approved a change in the Zone's boundaries, which includes the removal of certain portions of the 2013 Annexation Area from the Zone and the annexation of additional territory into the Zone ("2015 Annexation Area");

WHEREAS, at its August 4, 2016 board meeting, the Board of Directors of the Zone considered and adopted a fourth amendment to the Plans that extends the duration of the Zone to December 31, 2040 ("Fourth Amendment"), and has recommended the Fourth Amendment for approval by the City; and

WHEREAS, before the Board of Directors of the Zone may implement the Fourth Amendment, the City Council must approve the Fourth Amendment; and

WHEREAS, pursuant to the Creation Ordinance, the City currently contributes 100% of its tax increments generated within the original area of the Zone; and

WHEREAS, pursuant to the Second Amendment, the City currently contributes 0% of its tax increments generated within the 2013 Annexation Area (as modified by the 2015 Boundary Change Ordinance, the "Revised 2013 Annexation Area") to the Zone's Tax Increment Fund; and
WHEREAS, pursuant to the Third Amendment, the City currently contributes 100% of its tax increments generated with the 2015 Annexation Area to the Zone's Tax Increment Fund; and

WHEREAS, the City desires to increase its level of participation in the Revised 2013 Annexation Area, to contribute 100% of its tax increments generated within the Revised 2013 Annexation Area to the Zone's Tax Increment Fund; and

WHEREAS, because the Fourth Amendment increases the percentage of tax increment that the City will contribute from the Revised 2013 Annexation Area, Section 311.011(e) of the Code requires that a public hearing be held on the Fourth Amendment prior to its approval by City Council; and

WHEREAS, the City Council finds that notice of the public hearing was published in a newspaper of general circulation within the City in the time and manner required by law; and

WHEREAS, the City Council conducted a public hearing on the proposed Fourth Amendment on December 14, 2016; and

WHEREAS, at the public hearing, interested persons were allowed to speak for or against the proposed Fourth Amendment, the increase in the percentage of tax increment that the City will contribute from the Revised 2013 Annexation Area, and the concept of tax increment financing; and

WHEREAS, evidence was received and presented at the public hearing in favor of the Fourth Amendment, the increase in the percentage of tax increment that the City will contribute from the Revised 2013 Annexation Area, and the concept of tax increment financing; and
WHEREAS, in the Creation Ordinance, the effective date specified for the Zone was December 21, 1999, and the termination date specified for the Zone was December 31, 2029, establishing a 30-year duration period for the Zone; and

WHEREAS, pursuant to the Fourth Amendment, the Zone's projects have been expanded, requiring additional time to implement the projects in the Plans, rendering inadequate the initially established 30-year duration for the Zone; and

WHEREAS, the addition of 11 years to the duration of the Zone, extending the Zone duration to December 31, 2040, will permit the Zone to complete the purposes for which it was established under current conditions and circumstances, and to implement the Fourth Amendment; and

WHEREAS, pursuant to Code Section 311.007(c) and Section 311.017(a)(1), the City Council may, by ordinance, extend a reinvestment zone's termination date to a date later than the date originally established for termination of a zone; and

WHEREAS, the Zone's Board of Directors has requested the City Council to extend the termination date of the Zone for an additional 11 years; and

WHEREAS, the findings contained in the Creation Ordinance continue to apply to the Zone and all terms and conditions of the Creation Ordinance, except as modified herein, remain in full force and effect; and

WHEREAS, the City desires to approve the Fourth Amendment and to extend the Zone's termination date for an additional 11 years as described herein; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HOUSTON, TEXAS:
Section 1. Findings. That the facts and recitations contained in the preamble of this Ordinance are hereby found and declared to be true and correct and are hereby adopted as part of this Ordinance.

Section 2. Approval of the Fourth Amendment. That the Plans are hereby amended by adding "Part E," attached to this Ordinance as Exhibit "A." The Fourth Amendment is hereby determined to be feasible and is approved. The appropriate officials of the City are authorized to take all steps reasonably necessary to implement the Fourth Amendment.

Section 3. Approval of the Increase in the City's Level of Participation in the Revised 2013 Annexation Area. That the City will increase the City's participation in the Revised 2013 Annexation Area to contribute 100% of the tax increments generated within the Revised 2013 Annexation Area to the Zone's Tax Increment Fund beginning with taxes levied by the City in the year 2016, and such increased participation shall continue for the remaining term of the Zone.

Section 4. Extension of the Duration of the Zone. That the termination date of the Zone is hereby extended to December 31, 2040 (or such earlier or later date designated by subsequent ordinance of the City, or the date on which all project costs, tax increment bonds, and the interest on those bonds, and other obligations have been paid in full). Except as provided in the preceding sentence of this Ordinance, the Creation Ordinance shall continue in full force and effect.

Section 5. Severability. That if any provision, section, subsection, sentence, clause or phrase of this Ordinance, or the application of same to any person or set of circumstances is for any reason held to be unconstitutional, void or invalid, the validity of the remaining provisions of this Ordinance shall not be affected thereby, it being the intent of the City Council in adopting this Ordinance that no portion hereof or provision or regulation contained herein shall become inoperative or fail by reason of any unconstitutionality, voidness or invalidity of any portion hereof, and all provisions of this Ordinance are declared to be severable for that purpose.

Section 6. Emergency. That there exists a public emergency requiring that this Ordinance be passed finally on the date of its introduction as requested in writing by the Mayor; therefore, this Ordinance shall be passed finally on such date and shall take
effect immediately upon its passage and approval by the Mayor; however, in the event that the Mayor fails to sign this Ordinance within five days after its passage and adoption, it shall take effect in accordance with Article VI, Section 6, Houston City Charter.

PASSED AND ADOPTED this 8th day of March, 2017.

APPROVED this ____ day of ________________, 2016.

Mayor of the City of Houston

Pursuant to Article VI, Section 6, Houston City Charter, the effective date of the foregoing Ordinance is MAR 14 2017.

City Secretary

(Prepared by Legal Department (MFB:mfb December 1, 2016) Senior Assistant City Attorney
(Requested by Andy Icken, Chief Development Officer, Office of the Mayor)
(L.D. File No. 0421300019009)

CAPTION PUBLISHED IN DAILY COURT REVIEW DATE: MAR 14 2017
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CAPTION ADOPTED

MAY 017 Rev. 12/15
EXHIBIT "A"

Fourth Amended Project Plan and
Reinvestment Zone Financing Plan (Part "E")
REINVESTMENT ZONE NUMBER TWENTY
CITY OF HOUSTON, TEXAS

SOUTHWEST HOUSTON ZONE

FOURTH AMENDED
PROJECT PLAN AND REINVESTMENT ZONE FINANCING PLAN

December 13, 2016
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Exhibit 1 – Part E Plan Projected Property Tax Revenues (Tax Increment Funds Available)

Map 1 – Boundary Map

Map 2 - Existing Land Use/Property Classification

Map 3 – Projects
Introduction

The City of Houston, Texas ("City"), created Reinvestment Zone Number Twenty, City of Houston, Texas ("Zone"), on December 15, 1999, by Ordinance No. 1999-1330, in an area of the City commonly referred to as Sharpstown. The City adopted a Project Plan and Reinvestment Zone Financing Plan for the Zone by Ordinance No. 2000-310 on April 19, 2000 ("Part A Plan"). On February 18, 2009, the City approved the first Amended Project Plan and Reinvestment Zone Financing Plan for the Zone, by Ordinance No. 2009-111 ("Part B Plan"). On March 20, 2013, the boundary of the Zone was enlarged by Ordinance No. 2013-212, to include an additional 860 acres of land ("2013 Annexation"), and the City approved the second Amended Project Plan and Reinvestment Zone Financing Plan for the Zone by Ordinance No. 2013-213 ("Part C Plan"). On November 4, 2015, the boundaries of the Zone were changed by Ordinance No. 2015-1051, to remove approximately 29 acres of land and to add approximately 456.4 acres of land ("2015 Boundary Change"), and the City approved the Third Amended Project Plan and Reinvestment Zone Financing Plan for the Zone by Ordinance No. 2015-1052 ("Part D Plan").

Section One

The Part A Plan:
The Part A Plan covered an estimated 2,015 acres and established goals and redevelopment plans to address blighted conditions associated with failing infrastructure, lack of utility capacity, increased traffic congestion attributable to street network deficiencies, pedestrian environment deficiencies, declining commercial property values, and declining retail sales resulting from increased competition between old inner-city malls and newer suburban retail shopping centers. Project emphasis defined in the Part A Plan included repositioning of the Sharpstown Mall, improvements to Bellaire Boulevard, Fondren Road, Gessner Road and Corporate Drive. The Part A Plan sought to reverse the significant social and economic stresses affecting the stability and long-term economic viability of the area through the financing of mobility enhancements, public infrastructure, and roadways.

The Part B, Part C and Part D Plans:
The Part B Plan and the Part C Plan collectively sought to further define the goals stated in the Part A Plan, including a continued focus on roadway and street reconstruction, public utility system improvements, the design and construction of enhanced pedestrian environments, and assistance to underutilized and distressed properties, primarily located along the eastern sections of Bellaire Boulevard. The Part C Plan further provided for the enhancement of and improvements to the area annexed into the Zone as part of the Part C Plan. The Part D Plan provided for the enhancement of and improvements to approximately 456.4 acres of land added into the Zone boundaries as part of the Part D Plan. Under the Part D Plan, the primary goals of the Zone were expanded to provide a source of funding through tax increments generated by redevelopment to better eliminate the blight and substandard conditions existing and provide a
way to remediate unsafe and unsanitary conditions in the Zone, and encourage the sound growth of the residential, retail and commercial sectors in the Zone through the purchase, demolition and reconstruction of property, as well as design and construction of improved mobility systems, streetscape enhancements, pedestrian amenities, public utility system upgrades, adequate public facilities, and parkland and public space improvements.

Section Two

The Part E Plan
The Zone and the City now propose the fourth amendment to the Project Plan and Reinvestment Zone Financing Plan for the Zone ("Part E Plan").

The Part E Plan extends the duration of the Zone to December 31, 2040, to allow for continued improvements in the area and permit the Zone to complete the purposes for which it was established. As part of the Part E Plan, the City will contribute 100% of its tax increment revenues attributable to the 2013 Annexation (except for the 29 acres removed from the Zone by the 2015 Boundary Change).

The Part E Plan consists of (i) a summary of the redevelopment efforts of the Zone, (ii) restatement of the Zone’s redevelopment goals, (iii) redesignation of the Zone’s project cost categories and allocations to align with current goals, and (iv) anticipated use of expenditures for the cost of operating Zone and project facilities.

A. Summary of Redevelopment Efforts
The area within the boundaries of the Zone continues to evolve as both commercial and residential opportunities improve. The extension of Rogerdale Road from Bellaire Boulevard to the Westpark Tollway has created new opportunities for commercial office development. The Harwin Commercial Corridor and “Chinatown” continue to gain strength as regional shopping and dining destinations, bolstered in part by substantial functional and aesthetic improvements to Bellaire Boulevard funded by the Zone. Houston Baptist University is expanding its educational and economic impact in the community, in part as a result of a Chapter 380 economic development agreement involving the Zone, the Southwest Houston Redevelopment Authority ("Authority"), and the City.

In addition, the Zone anticipates ongoing projects to further positively impact the community. Fondren Road from Westpark Drive to US 59 is under construction. The Authority has also acquired property along Brays Bayou for purposes of green space and stormwater management. Existing funds have also been set aside for improvements to Lansdale Park, Crain Park and Sharpstown Swimming Pool.
B. Redevelopment Plan Concepts and Goals

The redevelopment concepts and goals of the Part E Plan restate the prior redevelopment concepts and goals. To the extent that prior statements of redevelopment concepts conflict with the concepts and goals articulated in the Part E Plan, the concepts and goals outlined below control.

Goal 1: Improve and enhance corridors, mobility and connectivity throughout the Zone.

Public streets and public utility systems are required to create an environment that will stimulate private investment in retail, commercial and mixed-use developments. The reconstruction of key streets and major thoroughfares will enhance the level of service in the area. All improvements will be coordinated with the street reconstruction programs of the City, METRO, TxDOT and other public entities. Attention will be placed on leveraging Zone monies by funding street enhancement elements not addressed by the CIP programs of sister agencies. The Part A, Part B and Part C Plans resulted in substantial improvements to Bellaire Boulevard, Rogerdale Road and Fondren Road. Consistent with the goals outlined in the Part D Plan, the Part E Plan proposes mobility improvements along the Harwin Drive corridor and an extension of improvements on Fondren Road, south of US 59.

Goal 2: Enhance public infrastructure, facilities and services throughout the Zone.

Storm water management will be achieved through the repair and replacement of drainage systems and the design and construction of new storm water utility systems, detention basins and other improvements proven to reduce volumes of runoff from drainage areas.

Goal 3: Develop and enhance public green space, pocket parks, regional parks, plazas, squares, and other appropriate recreational facilities including pedestrian bridges and hike and bike trails.

Public infrastructure, pedestrian bridges, regional trail systems, and other enhancements to area parks and other public open green space will attract and support redevelopment and improve the quality of life of area neighborhoods and visitors by increasing the attractiveness of the area. The Part C and Part D Plans have resulted in incorporation of substantial green space, park lands and recreation areas, including addition of Lansdale Park, Crain Park, Lee LeClear Tennis Center, Braeburn Glen Park and Bonham Park, in the Zone for purposes of improvements to these facilities along with anticipated improvements to Sharpstown Swimming Pool and Sharpstown Golf Course. Improvements to the trail system leading to and on Brays Bayou are also being contemplated.

Goal 4: Promote economic opportunity and private investment and reinvestment in the Zone including retail and mixed use opportunities.
The opportunity to reach the full economic potential of the area is based in part on the ability to construct critical infrastructure, minimize risk for investors and customers, build upon local assets and recognize or enhance market demand. The Zone will facilitate economic growth through capital improvements that make sites more attractive and projects feasible, land acquisition and assembly, and development of facilities that draw visitors into the Zone. The retention and expansion of retail and commercial developments along primary arterials, such as the Bellaire Boulevard, Fondren Road, Beechnut Street, Hillcroft Street, Harwin Drive, and Bissonnet Street corridors, and secondary roadways is of key importance to the successful redevelopment of the area. The provision of base level retail functionality is essential to the continued expansion of mixed-use projects in the area.

C. Authorized Projects and Project Costs

The amended and restated project costs are detailed in Table 1, below. The dollar amounts for each category are approximate and may be amended from time to time by the Board of Directors of the Zone with approval of the City Council.

Table 1: Reinvestment Zone No. 20 Project Costs

<table>
<thead>
<tr>
<th>Non-Educational Project Costs</th>
<th>Part A</th>
<th>Part B</th>
<th>Part C</th>
<th>Part D</th>
<th>Part E</th>
<th>Total Plan Costs</th>
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D. Project Plan

Existing and Proposed Uses of Land (Texas Tax Code § 311.011(b)(1)): Map 2, attached hereto, depicts the existing land uses in the Zone. Proposed land uses shall include similar,
but enhanced, multi-family residential, commercial retail, office, public and institutional, transportation, park and open spaces, and undeveloped land uses.

**Proposed Changes of Zoning Ordinances, Master Plan of Municipality, Building Codes, and Other Municipal Ordinances (Texas Tax Code § 311.011(b)(2))**: All construction will be performed in conformance with the City’s existing rules and regulations. There are no proposed changes to any City ordinance, master plan, or building code.

**Estimated Non-Project Costs (Texas Tax Code § 311.011(b)(3))**: The project costs referenced in Table 1 are inclusive of project costs to be incurred by the Zone only. The costs that would otherwise be project costs but are derived from other parties, such as the Texas Department of Transportation or private sources, are non-project costs. Funding identified in Table 1 for corridor improvement projects will be leveraged to acquire non-project funding.

**Method of Relocating Persons to be Displaced, if any, as a Result of Implementing the Plan (Texas Tax Code § 311.011(b)(4))**: It is not anticipated that any residents will be displaced or relocated as a result of the Part E Plan.

### E. Reinvestment Zone Financing Plan

**Estimated Project Costs (Texas Tax Code § 311.011(c)(1))**: Table 1 details proposed public improvements to be funded utilizing resources from the Zone. As set forth in the Part E Plan, the dollar amounts are approximate and may be amended from time to time by the Board of Directors of the Zone with approval of the City Council. The financing costs are a function of project financing needs and will vary with market conditions from the estimates shown on Table 1. The project categories describe generally the kind of improvements contemplated by the Part E Plan.

**Proposed Kind, Number, and Location of all Proposed Public Works or Public Improvements to be Financed by the Zone (Texas Tax Code § 311.011(c)(2))**: These details are described throughout the Part E Plan, including but not limited to those presented in Map 3, such as roadway, streetscape and overall enhancements along corridors such as Harwin Drive and Fondren Road. Other projects include improvements to Lee LeClear Tennis Center, Braeburn Glen Park, Bonham Park and Sharpstown Golf Course.

**Economic Feasibility (Texas Tax Code § 311.011(c)(3))**: Economic feasibility studies have been completed that demonstrate the economic potential of the Zone including the CDS Market Research Study titled Market and Economic Feasibility Analysis, Multi-Use Commercial Development, Proposed Southwest Houston Reinvestment Zone, completed in February 1999 and the Market and Economic Feasibility Analysis, Proposed Southwest Houston Reinvestment Zone, prepared by CDS Market Research in May 1999 and the Transportation Improvements Bellaire Boulevard/Fondren Road Corridor Plan completed by HNTB, February 2003. Exhibit 1 constitutes updated tax increment revenue estimates for the Part A, Part B, Part C, Part D and Part E Plans. The tax increment revenue estimates
are projected to be sufficient to cover the costs of the proposed redevelopment and infrastructure improvements in the Zone for the remainder of the Zone. The Zone and the City find and determine that the Part A, Part B, Part C, Part D and Part E Plans are economically feasible.

**Estimated Amount of Bond Indebtedness; Estimated Time When Related Costs or Monetary Obligations Incurred** (Texas Tax Code § 311.011(c)(4), § 311.011(c)(5)): Issuance of notes and bonds by the Zone may occur as tax increment revenues allow. The value and timing of the issuance of notes or bonds will correlate to debt capacity as derived from the attached revenue and project schedules, as well as actual market conditions for the issue and sale of such notes and bonds.

**Methods and Sources of Financing Project Costs and Percentage of Increment from Taxing Units Anticipated to Contribute Tax Increment to the Zone** (Texas Tax Code § 311.011(c)(6)): Methods and sources of financing include pay-as-you-go project financing, the issuance of notes and bonds, as well as collaboration with developers and other entities for grant funding and partnerships. Tax increment associated with this Part E Plan will consist of contributions from the City. As outlined in Exhibit 1, approximately $489,169,763 is estimated to be generated by the Zone for use in funding project costs. This figure is calculated using a City contribution of $0.586420/$100 of assessed valuation.

**Current Total Appraised Value of Taxable Real Property** (Texas Tax Code § 311.011(c)(7)): As of October 2016, the current appraised value of taxable real property in the Zone is $2,676,515,204.

**Estimated Captured Appraised Value of Zone During Each Year of Existence** (Texas Tax Code § 311.011(c)(8)): The estimated captured appraised value of the Zone during each remaining year of its existence is contained in Exhibit 1.

**Zone Duration** (Texas Tax Code § 311.011(c)(9)): The Zone was created by the City on December 15, 1999, and will terminate on December 31, 2040.
### Exhibit 1 - Valuation and Available Revenue

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<th>Tax Roll</th>
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<th>City Taxable Base Value</th>
<th>Estimated City Taxable Value ($)</th>
<th>City Captured Value (Increment)</th>
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<th>City Tax (Rate 1%)</th>
<th>Total Estimated TIRZ Revenue Available</th>
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Note: The above table includes annual appreciation and assumes a $160,000,000 investment from HMC in Year 2017.
Estimated Project Costs
Proposed Projects
$19,865,000 Harwin Corridor
$2,000,000 Lee LeClear Park
$250,000 Bonham Park
$2,000,000 Sharpstown Golf Course
$5,620,000 Detention Basin, Parking and Trails
$9,345,000 Fondren Corridor
$39,080,000 TOTAL COSTS
EXHIBIT D

Fourth Amended Project Plan - TIRZ #20 Zone Map (Current)

Development Site
AN ORDINANCE RELATING TO THE FISCAL AFFAIRS OF THE SOUTHWEST HOUSTON REDEVELOPMENT AUTHORITY ON BEHALF OF REINVESTMENT ZONE NUMBER TWENTY, CITY OF HOUSTON, TEXAS (SOUTHWEST HOUSTON ZONE); APPROVING THE FISCAL YEAR 2017 OPERATING BUDGET FOR THE AUTHORITY AND THE FISCAL YEARS 2017-2021 CAPITAL IMPROVEMENTS BUDGET FOR THE ZONE; CONTAINING FINDINGS AND OTHER PROVISIONS RELATED TO THE FOREGOING SUBJECT; AND DECLARING AN EMERGENCY.

* * * * * * *

WHEREAS, the Southwest Houston Redevelopment Authority ("Authority"), a local government corporation acting on behalf of the City in connection with Reinvestment Zone Number Twenty, City of Houston, Texas ("Zone"), has submitted an Operating Budget for Fiscal Year 2017 ("Budget") and a five-year Capital Improvement Projects Budget for Fiscal Years 2017-2021 ("CIP Budget" and, collectively with the Operating Budget, "Budgets") to the City Council for approval pursuant to the interlocal agreement among the City, the Authority, and the Zone approved by Ordinance No. 2001-33 ("Tri-Party Agreement"); and

WHEREAS, the Budgets are based on the following assumptions:

1. The timely implementation of capital improvements may require the Authority to incur debt; and

2. The City's Chief Development Officer will assist the Authority in identifying cost-efficient methods to finance the costs of the capital improvements;
WHEREAS, the City has experienced an incremental increase in the cost of providing municipal services as a result of the creation of the Zone and the development and redevelopment of the land in the Zone;

WHEREAS, the City Council finds that it is appropriate to recover its incremental costs of municipal services for Fiscal Year 2017 from the tax increment produced by the City and paid into the Tax Increment Fund of the Zone, subject to complying with the provisions of Texas Tax Code Section 311.010(i); and

WHEREAS, the City Council finds that the incremental costs of providing municipal services set forth in the Budget attached hereto as Exhibit “A” are reasonable and will be paid from the tax increment produced by the City and paid into the Tax Increment Fund of the Zone; and

WHEREAS, the City Council desires to approve the Budgets; NOW,

THEREFORE,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HOUSTON, TEXAS:

Section 1. That the findings contained in the preamble of this Ordinance are determined to be true and correct and are hereby adopted as part of this Ordinance.

Section 2. That the City Council takes cognizance of the fact that in order to implement the Project Plan and Reinvestment Zone Financing Plan for the Zone, and to make adjustments occasioned by events transpiring during the year, the Authority may need to transfer funds from one Line Item of Project Costs shown on Exhibit “A” to another. Unless approved by the City Council, the Authority may only transfer funds: (1) as needed for Debt Service; and (2) from one Line Item of Project Costs to another.
provided that the aggregate of such transfers does not exceed $400,000 during Fiscal Year 2017. Subject to the foregoing, the Operating Budget attached hereto as Exhibit “A” is hereby approved for the Authority.

Section 3. That the CIP Budget attached hereto as Exhibit “B” is hereby approved for the Zone.

Section 4. That the City’s Chief Development Officer is directed to assist the Authority in identifying a cost-efficient method for financing public infrastructure consistent with financing principles used by the City.

Section 5. That not later than March 31, 2017, the Zone and the Authority shall, in cooperation with City representatives: (1) identify surplus funds in the Authority’s Fiscal Year 2017 Operating Budget based on the difference between Zone revenues and the Fiscal Year 2017 Operating Budget for the Authority approved by the City; and (2) make available any surplus Zone funds, through appropriate agreement, for projects identified by the City that are eligible for tax increment funding, such as affordable housing, areas of public assembly, incremental costs of municipal services attributable to development and redevelopment in the Zone, and capital projects that benefit the City and the Zone. The agreement may provide for the payment of surplus funds into one or more accounts established by the City or may provide for direct payment by the Authority for the purpose. The Zone and the Authority shall consider amendments to the Project Plan and Reinvestment Zone Financing Plan for the Zone that may be necessary to accomplish this purpose, and shall expedite any such amendments.
Section 6. That approval of this Budget is contingent upon receipt by the City’s Chief Development Officer, of a document signed by the Administrator of the Authority and/or Zone disclosing the name of each owner or developer of property within the Zone from which the Administrator has received compensation during the last five calendar years, and the amount of compensation by owner by year. Compensation may be expressed by category as follows:

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Category I</td>
<td>Less than $1,000.00</td>
</tr>
<tr>
<td>Category II</td>
<td>At least $1,000.00 but less than $10,000.00</td>
</tr>
<tr>
<td>Category III</td>
<td>At least $10,000.00 but less than $50,000.00</td>
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<tr>
<td>Category IV</td>
<td>At least $50,000.00 but less than $100,000.00</td>
</tr>
<tr>
<td>Category V</td>
<td>At least $100,000.00 but less than $500,000.00</td>
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<tr>
<td>Category VI</td>
<td>At least $500,000.00 but less than $1,000,000.00</td>
</tr>
<tr>
<td>Category VII</td>
<td>$1,000,000.00 or more</td>
</tr>
</tbody>
</table>

Section 7. That there exists a public emergency requiring that this Ordinance be passed finally on the date of its introduction as requested in writing by the Mayor; therefore, this Ordinance shall be passed finally on such date and shall take effect immediately upon its passage and approval by the Mayor; however, in the event that the Mayor fails to sign this Ordinance within five days after its passage and adoption, it shall take effect in accordance with Article VI, Section 6, Houston City Charter.

PASSED AND ADOPTED this 3rd day of August, 2016.

APPROVED this _____ day of ________________, 2016.

Mayor of the City of Houston
Pursuant to Article VI, Section 6, Houston City Charter, the effective date of the foregoing Ordinance is **SEP 06 2016**

City Secretary

(Prepared by Legal Department **Mary Brown** (MFB: mfb August 25, 2016) Senior Assistant City Attorney
(Requested by Andy Icken, Chief Development Officer, Office of the Mayor)
(LD No. 0421300019008)

<table>
<thead>
<tr>
<th>AYE</th>
<th>NO</th>
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<tr>
<td></td>
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<tr>
<td></td>
<td>COUNCIL MEMBERS</td>
</tr>
<tr>
<td></td>
<td>STARDIG</td>
</tr>
<tr>
<td></td>
<td>DAVIS</td>
</tr>
<tr>
<td></td>
<td>COHEN</td>
</tr>
<tr>
<td></td>
<td>BOYKINS</td>
</tr>
<tr>
<td></td>
<td>MARTIN</td>
</tr>
<tr>
<td></td>
<td>LE</td>
</tr>
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<td>TRAVIS</td>
</tr>
<tr>
<td></td>
<td>CISNEROS</td>
</tr>
<tr>
<td></td>
<td>GALLEGOS</td>
</tr>
<tr>
<td></td>
<td>LASTER</td>
</tr>
<tr>
<td></td>
<td>GREEN</td>
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<tr>
<td></td>
<td>KNOX</td>
</tr>
<tr>
<td></td>
<td>ROBINSON</td>
</tr>
<tr>
<td></td>
<td>KUBOSH</td>
</tr>
<tr>
<td></td>
<td>EDWARDS</td>
</tr>
<tr>
<td></td>
<td>CHRISTIE</td>
</tr>
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</table>

CAPTION PUBLISHED IN DAILY COURT REVIEW DATE: SEP 06 2016

CAPTION ADOPTED

MAY 2017 Rev 12/15
EXHIBIT “A”

Fiscal Year 2017 Operating Budget for
Southwest Houston Redevelopment Authority
CITY OF HOUSTON
ECONOMIC DEVELOPMENT DIVISION
FISCAL YEAR 2017 BUDGET PROFILE

Fund Summary
Fund Name: Southwest Houston Redevelopment Authority
TIRZ 20
Fund Number: 7568/50

P R O F I L E
Base Year: 1999
Base Year Taxable Value: $766,214,210
Projected Taxable Value (TY2016): $2,345,286,435
Current Taxable Value (TY2015): $2,255,083,111

Acres: 4460.66
Administrator (Contact): Hauwes Hill Calderon (713) 595-1209

Zone Purpose:
Tax Increment Reinvestment Zone Number Twenty, City of Houston, Texas was created to address failing infrastructure, lack of utility capacity, increased traffic congestion attributable to street network deficiencies, declining retail sales and significant social and economic stress along the Bellaire Corridor and the greater Sharpstown Mall area. Plans include provisions for the design and construction of roadways and streets, utility system upgrades, pedestrian safety improvements and parks.

N A R R A T I V E
Fondren Access management project is now under construction with expected finish by January 2017.
Purchased 4.6 acres adjacent to Brays Bayou. Partnering with COH to design and construction a joint use detention basin and park facilities for area roadway reconstruction.
Designed Oak Park Drive to solve mobility issues in and around the Bellaire/Beltway intersection.
Social service corridor East of US 59 is near completion within no sidewalks where none existed
Provided $1.0 million to Parks Department to support the design and reconstruction of Crane and Lansdale Parks

<table>
<thead>
<tr>
<th>Project Plan</th>
<th>Total Plan</th>
<th>Cumulative Expenses (to 6/30/15)</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Projects</td>
<td>$150,000,000</td>
<td>$96,244,755</td>
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<tr>
<td>School &amp; Education/Cultural Facilities</td>
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<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Financing Costs</td>
<td>$182,500,000</td>
<td>$112,587,210</td>
<td>$69,912,790</td>
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<tr>
<td>Administration Costs/ Professional Services</td>
<td>$2,500,000</td>
<td>($301,330)</td>
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<tr>
<td>Creation Costs</td>
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<tr>
<td>Total Project Plan</td>
<td>$182,500,000</td>
<td>$112,587,210</td>
<td>$69,912,790</td>
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</table>

Additional Financial Data

<table>
<thead>
<tr>
<th>FY2016 Budget</th>
<th>FY2016 Estimates</th>
<th>FY2017 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt Service</td>
<td>$4,167,961</td>
<td>$4,167,961</td>
</tr>
<tr>
<td>Principal</td>
<td>$2,695,000</td>
<td>$2,630,000</td>
</tr>
<tr>
<td>Interest</td>
<td>$1,472,961</td>
<td>$1,536,717</td>
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</tbody>
</table>

Debt

<table>
<thead>
<tr>
<th>Year End Outstanding (Principal)</th>
<th>Balance as of 6/30/15</th>
<th>Projected Balance as of 6/30/16</th>
<th>Projected Balance as of 6/30/17</th>
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<tr>
<td>Bond Debt</td>
<td>$48,965,000</td>
<td>$44,335,000</td>
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<td>Line of Credit</td>
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<tr>
<td>Developer Agreement</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
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<tr>
<td>Other</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
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Page 1 of 20
## TIRZ Budget Line Items

<table>
<thead>
<tr>
<th>Resource Description</th>
<th>FY2016 Budget</th>
<th>FY2016 Estimates</th>
<th>FY2017 Budget</th>
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</thead>
<tbody>
<tr>
<td><strong>RESTRICTED Funds - Capital Projects</strong></td>
<td>$24,959,788</td>
<td>$22,970,264</td>
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<td><strong>RESTRICTED Funds - Affordable Housing</strong></td>
<td>$2,134,998</td>
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<td><strong>UNRESTRICTED Funds</strong></td>
<td>$4,702,064</td>
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<td><strong>Beginning Balance</strong></td>
<td>$31,796,850</td>
<td>$32,427,272</td>
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<td>City tax revenue</td>
<td>$7,564,403</td>
<td>$6,559,400</td>
<td>$8,174,947</td>
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<tr>
<td>County tax revenue</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
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<tr>
<td>ISD tax revenue</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
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<tr>
<td>ISD tax revenue - Pass Through</td>
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<td>$ -</td>
<td>$ -</td>
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<tr>
<td>Community College tax revenue</td>
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<td>Incremental property tax revenue</td>
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<td>Reimbursement from Catholic Church for Bellaire</td>
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<td>Miscellaneous revenue</td>
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<td>CCH TIRZ Interest</td>
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<td>Interest Income</td>
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<td>Grant Proceeds</td>
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<td>Proceeds from Bank Loan</td>
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<td>Contract Revenue Bond Proceeds</td>
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<td><strong>TOTAL AVAILABLE RESOURCES</strong></td>
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</table>
# CITY OF HOUSTON
## ECONOMIC DEVELOPMENT DIVISION
### FISCAL YEAR 2016 BUDGET DETAIL

<table>
<thead>
<tr>
<th>TIRZ Budget Line Items</th>
<th>FY2016 Budget</th>
<th>FY2015 Estimates</th>
<th>FY2017 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounting</td>
<td>$7,800</td>
<td>$7,800</td>
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<td>Administration Salaries &amp; Benefits</td>
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<td>Auditor</td>
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<td>Insurance</td>
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<td>Office Administration</td>
<td>$7,000</td>
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<td>TIRZ Administration and Overhead</td>
<td>$118,000</td>
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<td>Engineering Consultants</td>
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<td>Legal</td>
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<tr>
<td>Tax Consultant</td>
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<td>Website Design &amp; Maintenance</td>
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<td>Zone Plan Amendment</td>
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<td>Program and Project Consultants</td>
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<td>Management consulting services</td>
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<td>Capital Expenditures (See CIP Schedule)</td>
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<td>$14,405,848</td>
<td>$12,621,586</td>
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<tr>
<td>TIRZ Capital Expenditures</td>
<td>$21,152,689</td>
<td>$14,405,848</td>
<td>$12,621,586</td>
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<tr>
<td>Developer / Project Reimbursements</td>
<td>$2,695,000</td>
<td>$2,630,000</td>
<td>$2,695,000</td>
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<tr>
<td>Bond Debt Service (Series 2003)</td>
<td>$1,472,961</td>
<td>$1,338,717</td>
<td>$1,472,961</td>
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<tr>
<td>Principal</td>
<td>$50,200</td>
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<td>$50,200</td>
</tr>
<tr>
<td>Interest</td>
<td>$1,536,717</td>
<td>$1,096,000</td>
<td>$1,096,000</td>
</tr>
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<td>Bond Debt Service (Series 2009)</td>
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<td>$1,096,000</td>
<td>$1,096,000</td>
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<tr>
<td>Principal</td>
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<td>$4,167,961</td>
<td>$4,167,961</td>
</tr>
<tr>
<td>Interest</td>
<td>$4,167,961</td>
<td>$4,167,961</td>
<td>$4,167,961</td>
</tr>
<tr>
<td>Bond Debt Service (Series 2014)</td>
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<td>$4,167,961</td>
<td>$4,167,961</td>
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<tr>
<td>Principal</td>
<td>$4,167,961</td>
<td>$4,167,961</td>
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<tr>
<td>Loan debt service</td>
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<td>$4,167,961</td>
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<td>$4,167,961</td>
<td>$4,167,961</td>
<td>$4,167,961</td>
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<tr>
<td>Interest</td>
<td>$4,167,961</td>
<td>$4,167,961</td>
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<tr>
<td>System debt service</td>
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<td>TOTAL PROJECT COSTS</td>
<td>$25,747,050</td>
<td>$18,741,665</td>
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**Fund Summary**
- **Fund Name**: Southwest Houston Redevelopment Authc TIRZ 20
- **Fund Number**: 7568/50
## TIRZ Budget Line Items

<table>
<thead>
<tr>
<th>TIRZ Budget Line Items</th>
<th>FY2016 Budget</th>
<th>FY2016 Estimates</th>
<th>FY2017 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payment/transfer to ISD - educational facilities</td>
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<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Payment/transfer to ISD - educational facilities (Pass Through)</td>
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<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Administration Fees:</td>
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<tr>
<td>City</td>
<td>$ 378,220</td>
<td>$ 327,970</td>
<td>$ 408,747</td>
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<tr>
<td>County</td>
<td>$</td>
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<td>$</td>
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<tr>
<td>ISD</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>HCC</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Affordable Housing:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>City</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>County</td>
<td>$</td>
<td>$</td>
<td>$</td>
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<tr>
<td>ISD to City of Houston</td>
<td>$ 446,000</td>
<td>$ 446,000</td>
<td>$ 3,561,587</td>
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<tr>
<td>Municipal Services (Payable to COH)</td>
<td>$ 824,220</td>
<td>$ 773,970</td>
<td>$ 3,970,334</td>
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<tr>
<td>Total Transfers</td>
<td>$ 2,134,998</td>
<td>$ 1,819,457</td>
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<td>Total Budget</td>
<td>$ 26,571,270</td>
<td>$ 19,515,635</td>
<td>$ 20,929,081</td>
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</tbody>
</table>

### RESTRICTED Funds

- **Capital Projects**: $2,134,998
- **Affordable Housing**: $11,020,405
- **Bond Debt Service**: $13,155,403

### UNRESTRICTED Funds

- **Total Budget & Ending Fund Balance**: $39,726,673

---

**Notes:**
EXHIBIT “B”

Fiscal Years 2017-2021 Capital Improvement Projects Budget for Southwest Houston Zone
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>F, J</td>
<td>T-2001</td>
<td>Bellaire Access Management Mobility</td>
<td>$27,349,076</td>
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<td>463,893</td>
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<tr>
<td>J</td>
<td>T-2002</td>
<td>Fondren Access Management Mobility Improvements</td>
<td>$ 492,316</td>
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<td>10,232,579</td>
<td>9,671,026</td>
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<td>J</td>
<td>T-2003</td>
<td>Social Services Project</td>
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<tr>
<td>J</td>
<td>T-2004</td>
<td>Brays Bayou Detention Basin &amp; Park</td>
<td>$1,672,565</td>
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<td>1,687,416</td>
<td>403,560</td>
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<td>2,423,160</td>
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<td>F</td>
<td>T-2005</td>
<td>Oak Park Road Construction</td>
<td>$ -</td>
<td>$90,000</td>
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<td>-</td>
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<tr>
<td>J</td>
<td>T-2006</td>
<td>Crain &amp; Lansdale Park</td>
<td>$ -</td>
<td>$ 90,000</td>
<td>$ 91,000</td>
<td>-</td>
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<tr>
<td>J</td>
<td>T-2007</td>
<td>Sharpstown Park Redevelopment (Pool &amp; Golf Course)</td>
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<td>1,000,000</td>
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<td>J</td>
<td>T-2008</td>
<td>Regional Hike and Bike Trails</td>
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<td>845,000</td>
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<tr>
<td>J</td>
<td>T-2009</td>
<td>Mall Redevelopment Project</td>
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**Totals** | **$29,870,031** | **$14,495,848** | **$12,671,586** | **$1,048,160** | **$1,540,660** | **$6,473,160** | **$14,698,160** | **$35,791,725** | **$86,067,604** |

*NOTE:*
**NOTE:*
***NOTE:*
2017 - 2021 CAPITAL IMPROVEMENT PLAN
TIRZ NO.20 - SOUTHWEST HOUSTON REDEVELOPMENT AUTHORITY

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CITY OF HOUSTON - TIRZ PROGRAM
Economic Development Division

Page 6 of 20
### Project: Fondren Access Management Mobility Improvements

**Location:** Reconstruct and modifications on Fondren Road from Westpark to Highway 59. Includes modifications to drainage and intersection improvements.

**Justification:** Funding for mobility improvement along Fondren. One of key mobility improvements identified to rectify mobility limitations along the Fondren Corridor.

### Operating and Maintenance Costs: ($ Thousands)

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<th>Year</th>
<th>Personnel</th>
<th>Supplies</th>
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### Fiscal Year Planned Expenses

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**Total Allocations:** $492,316

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### Project: Social Services Project

**Description:** Sidewalks and lighting added to the new annexed area.

**Justification:** Enhance accessibility to Ripley House and the Multi-Service Center.

### Fiscal Year Planned Expenses

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| Total Allocations | $266,044 | $ - | $1,016,860 | $200,000 | $ - | $ - | $ - | $ - | $200,000 | $1,482,904 |

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Project: Brays Bayou Detention Basin & Park  

Description: Land acquisition, planning, design and construction for area drainage/detention facilities. Project will include detention basin, park facilities and connectivity to Brays Bayou trail system. This project is jointly funded by the TIRZ and the City of Houston.

Justification: To relieve and mitigate street flooding for City of Houston road projects within area and provide park and hike/bike facilities for underserved area.

Fiscal Year Planned Expenses

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<th>Project Allocation</th>
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<th>2016 Estimate</th>
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Source of Funds

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### Project: Oak Park Road Construction

**City Council District:** F  
**Key Map:** 530 C, D, G, H  
**Location:** F  
**Served:** F  
**Geo. Ref.:**  
**WBS.:** T-2005  
**Neighborhood:** 26

#### Description:
Design and Construction of access road from Rogersdale to Beltway 8.

#### Justification:
Funding for mobility improvements within the Oak Park Business Park for improved egress and ingress.

### Operating and Maintenance Costs: ($ Thousands)

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### Fiscal Year Planned Expenses

#### Project Allocation

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**Other Sub-Total:** $45,000

**Total Allocations:** $845,000

#### Source of Funds

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**Total Funds:** $845,000

**Total Allocations:** $845,000

**Cumulative Total (To Date):** $940,000
**Project:** Crain & Lansdale Park  
**City Council District:**  
**Key Map:**  
**Location:** J  
**Ge. Ref.:**  
**Served:** J  
**WBS.:** T-2006

### Description:
Crain Park is located at 9051 Triola and is a 6.04 acre neighborhood park of which 2.4 acres is leased from HISD. The proposed project scope would be to replace approximately ½ mile asphalt walking trail with a ½ mile concrete trail. Benches, picnic tables and trees along with irrigation and the removal of the asphalt pad would also enhance the park and trail. The cost forecast for the project including design, construction and management is $550,000.00.

### Justification:
Upgrades needed to bring area parks to standard.

### Operating and Maintenance Costs: ($ Thousands)

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<th>Personnel</th>
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<th>2018</th>
<th>2019</th>
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### Fiscal Year Planned Expenses

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### Source of Funds

| TIRZ Funds        | 90,000                          | 1,000,000   | 910,000      | $    | $    | $    | $    | $     | $ 1,000,000       |
| City of Houston   |                                 |             |              |      |      |      |      |       |                  |
| Grants            |                                 |             |              |      |      |      |      |       |                  |
| Other             |                                 |             |              |      |      |      |      |       |                  |
| Total Funds       | $ 90,000                        | $ 1,000,000 | $ 910,000    | $    | $    | $    | $    | $     | $ 1,000,000       |
## Project: Sharpstown Park Redevelopment (Pool & Golf Course)

### Description:
Demolition & Reconstruction of swimming pool in a different location within Park. Demolition and reconstruction Golf course Club House, locker room and other amenities.

### Justification:
Sharpstown Park facilities are aged in severe disrepair causing decline of park usage and limiting park facilities to serve community.

### Operating and Maintenance Costs ($ Thousands)

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<th>Year</th>
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<th>Capital Outlay</th>
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<th>Cumulative Total (To Date)</th>
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**Project:** Regional Hike and Bike Trails

**Description:** Improve access to and expansion of the area bike trail system to Bayou by constructing a bridge.

**Justification:** Enhance Trail System by constructing bridge to connect residential community to trail system. Trail is underutilized due to fact no one can access it.

<table>
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<tr>
<th>City Council District</th>
<th>Key Map</th>
<th>WBS:</th>
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**Fiscal Year Planned Expenses**

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### Project: Mall Redevelopment Project

**Description:** Repositioning of the old Sharpstown Mall property is a major component of the TIRZ Plan. This would include planning, design and partial demolition and construction of new infrastructure, repositioning certain owners and providing for a higher valued development.

**Justification:** This is important from the standpoint that the property is underperforming both from an Ad Valorem and sales tax standpoint.

### Fiscal Year Planned Expenses

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**NOTE**
## Project: Harwin Access Management Project

**Description:** Multiple median closures and modifications on Harwin from Hillcroft to Fondren and addition of westbound lane. Includes modifications to existing signals and provide improved drainage.

**Justification:** Funding for mobility improvement along Harwin. One of key mobility improvements identified to rectify mobility limitations along the Harwin Corridor.

### Operating and Maintenance Costs: ($ Thousands)

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### Fiscal Year Planned Expenses

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**2017 - 2021 CAPITAL IMPROVEMENT PLAN**
**TIRZ NO.20 - SOUTHWEST HOUSTON REDEVELOPMENT AUTHORITY**

**Project:** Lee LeClear Tennis Center Reconstruction

**City Council District** | **Key Map:**
--- | ---
J | J

**Location:** Geo. Ref.: WBS.: T-2011

**Served:** Neighborhood:

**Description:** Reconstruction of Lee LeClear Tennis Center Club House and amenities

**Justification:** Provide additional resources to COH Park Department and private funds to reconstruct what was once a premier tennis center.

### Operating and Maintenance Costs: ($ Thousands)

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### Fiscal Year Planned Expenses

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### Project: Harwin Detention Facility

**Description:** Acquisition and construction of Harwin Detention Facility to alleviate downstream flooding and mitigate road flooding. This project will assist in the mitigation of area flooding.

### Justification:

- Personnel
- Supplies
- Svcs & Chgs
- Capital Outlay

### Operating and Maintenance Costs: ($ Thousands)

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<th>Fiscal Year</th>
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### Fiscal Year Planned Expenses

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*NOTE*
Project: Concrete Panel Replacement Program

Description: Street maintenance program

Justification: Mobility improvements to extend life of roads.

Operating and Maintenance Costs: ($ Thousands)

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A RESOLUTION IDENTIFYING CERTAIN PROPOSED DEVELOPMENTS OF AFFORDABLE RENTAL HOUSING AS CONTRIBUTING TO THE CONCERTED REVITALIZATION EFFORTS OF THE CITY OF HOUSTON, TEXAS MORE THAN ANY OTHER IN THE AREA IN WHICH THE APPLICABLE DEVELOPMENT IS LOCATED; MAKING VARIOUS FINDINGS AND PROVISIONS RELATING TO THE SUBJECT.

* * *

WHEREAS, the City Council (the "City Council") of the City of Houston (the "City") finds that each of the entities whose name is listed in the column captioned "Applicant Name" (individually referred to as "Applicant") on Schedule I attached hereto has proposed a development for affordable rental housing ("Housing Community") whose name and location are set forth on Schedule I beside the name of such Applicant in the columns captioned "Project Name" and "Project Address" (individually referred to as "Applicant's Project" with respect to the Applicant whose name is listed beside such information), each located in the City of Houston, Texas; and

WHEREAS, the City Council finds that each Applicant has advised that it has submitted or intends to submit an application, bearing the number set forth on Schedule I beside the name of such Applicant in the column captioned "TDHCA Number" (individually referred to as "Applicant's Application" with respect to the Applicant whose name is listed beside such TDHCA Number), to the Texas Department of Housing and Community Affairs (the "TDHCA") for an allocation of 2018 Competitive 9% Housing Tax Credits ("HTCs") for the Applicant's Project; and

WHEREAS, the City Council finds that HTCs are awarded by TDHCA through a competitive point scoring system and that additional points are awarded to developments that are located in an area for which a concerted revitalization plan ("CRP") has been adopted and that are explicitly identified by a municipality in a resolution as contributing more than any other to the municipality's concerted revitalization efforts within the CRP area ("CRP Area") in which the development is located; and

WHEREAS, the City Council finds that the 2018 Qualified Allocation Plan ("2018 QAP") prepared by the TDHCA for the awarding and allocation of HTCs provides that a Tax Increment Reinvestment Zone ("TIRZ") may qualify as a CRP Area, provided that the plan applicable thereto meets the requirements set forth in § 11.9(d)(7)(A)(i)(I) - (V) of the 2018 QAP; and

WHEREAS, the City Council finds that each Applicant's Project listed on Schedule I is located in a separate CRP Area whose name is set forth on Schedule I beside the name of such Applicant's Project in the column entitled "CRP Area"; and
WHEREAS, the City Council finds that only one Applicant's Project listed on Schedule I is located in each CRP Area listed on Schedule I; and

WHEREAS, the City Council, as the governing body of the City, desires to assist each Applicant and the success of each Applicant's Project by explicitly identifying each Applicant's Project as contributing more than any other to the CRP of the CRP Area in which such Applicant's Project is located; NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HOUSTON:

Section 1. That the findings contained in the preamble of this Resolution are determined to be true and correct and are hereby adopted as a part of this Resolution.

Section 2. That the City Council hereby explicitly identifies each Applicant's Project confirms that it supports each Applicant's Project listed on Schedule I as contributing more than any other to the Consolidated Revitalization Plan for the CRP Area in which such Applicant's Project is located.

Section 3. That this Resolution shall take effect immediately upon its passage and approval by the Mayor; however, in the event that the Mayor fails to sign this Resolution within five days after its passage and adoption, it shall take effect in accordance with Article VI, Section 6, Houston City Charter.

PASSED AND ADOPTED this 14th day of February, 2018.

Mayor of the City of Houston

Pursuant to Article VI, Section 6, Houston City Charter, the effective date of the foregoing Resolution is 02/20/2018.

City Secretary

(Prepared by Legal Dept.
Senior Assistant City Attorney

(Requested by Tom McCasland, Director, Housing and Community Development Department)
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<thead>
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CAPTION PUBLISHED IN DAILY COURT REVIEW DATE: 02/20/2018

MAY 017 Rev. 12/15
### Schedule I - Priority Resolutions - City of Houston Projects

<table>
<thead>
<tr>
<th>Applicant Name</th>
<th>Project Name</th>
<th>Project Address</th>
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<tr>
<td>St. Elizabeth Place, LP</td>
<td>St. Elizabeth Place</td>
<td>4514 Lyons Avenue</td>
<td>Fifth Ward TIRZ</td>
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<tr>
<td>Houston DMA Housing II, LLC</td>
<td>The Greenery</td>
<td>18000 block of Imperial Valley Dr</td>
<td>Greenspoint TIRZ</td>
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<td>2222 Cleburne LP</td>
<td>2222 Cleburne</td>
<td>2222 Cleburne</td>
<td>OST/Almeda TIRZ</td>
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<td>Houston DMA Housing III, LLC</td>
<td>City Park Apartments</td>
<td>NW corner of W Green Drive and US HWY 298</td>
<td>Greater Houston TIRZ</td>
<td>18301</td>
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<td>Campanile on Commerce LP</td>
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<td>2800 Commerce St</td>
<td>Harrisburg TIRZ</td>
<td>18306</td>
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<tr>
<td>BAH Lancaster Senior Village, Ltd.</td>
<td>Lancaster Senior Village</td>
<td>2800 Commerce St</td>
<td>Gulfgate TIRZ</td>
<td>18308</td>
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February 19, 2018

Mr. Tim Irvine
Executive Director
Texas Department of Housing and Community Affairs
221 East 11th Street
Austin, TX 78701

Re: New Hope Housing Dale Carnegie, TDHCA 18137 – Concerted Revitalization Plan – Tax Increment Reinvestment Zone 20 (Southwest Houston)

Dear Mr. Irvine,

Please accept this letter as documentation in compliance with §11.9(d)(7)(A) of the 2018 Qualified Allocation Plan (“QAP”), Concerted Revitalization Plan in Urban Areas. New Hope Housing Dale Carnegie, located at the southeast corner of Regency Square Blvd. & Dale Carnegie Ln., is within the City of Houston’s Tax Increment Reinvestment Zone 20 (“TIRZ 20”). TIRZ 20 was created by the City of Houston in order to facilitate a long-term, substantive investment in and revitalization of the designated zone and constitutes a Concerted Revitalization Plan pursuant to the QAP.

TIRZ 20 was created through the adoption of Ordinance No. 1999-1330 on December 15, 1999. Since its creation, the City Council and TIRZ 20 Board of Directors have adopted through public processes the Project Plan and Reinvestment Zone Financing Plan (the “Project Plan”) and four subsequent Amended Project Plans that govern the revitalization efforts of TIRZ 20. The original Project Plan was adopted by the Houston City Council on April 19, 2000 by Ordinance No. 2000-310, First Amended Project Plan by Ordinance 2009-111 on February 18, 2009, Second Amended Project Plan by Ordinance 2013-213 on March 20, 2013, Third Amended Project Plan by Ordinance 2015-1051 on November 4, 2015, and Fourth Amended Project Plan by Ordinance 2017-185 on March 8, 2017. TIRZ 20 has been active since its creation in 1999 and the City Council has approved the duration of the zone through December 31, 2040. The proposed New Hope Housing development site is located within the boundaries of TIRZ 20.

As clearly provided for in Ordinance 1999-1330, the zone was created because the City of Houston found that, in 1999, the “zone substantially impairs and arrests the sound growth of the City, retards the provision of housing accommodations, constitutes an economic and social liability and is a menace to the public health, safety, morals, or welfare in its present condition and use because of the presence of: a. a substantial number of substandard, slum, deteriorated, or deteriorating structures; b. the predominance of defective or inadequate sidewalk or street layout; c. faulty lot layout in relation to size, adequacy, accessibility or usefulness; unsanitary or unsafe conditions; e. the deterioration of site or other improvements; and f. conditions that endanger life or property by fire or other cause.”
Since its creation, TIRZ 20 has financed numerous public works projects to improve the identified issues in the zone, including (but not limited to):

1. Sidewalk construction, improved lighting and bus stops to enhance pedestrian access between apartments and charter schools in the zone. Phase 1 has commenced with project costs projected at $681,683.
2. Road reconstruction and extension of Bellaire Blvd to improve mobility through the zone and facilitate new opportunities for commercial office development. Project costs are totaled at $25 million.
3. “Houston Baptist University is expanding its educational and economic impact in the community, in part as a result of a Chapter 380 economic development agreement involving the Zone, the Southwest Houston Redevelopment Authority (“Authority”), and the City” (from Fourth Amended Project Plan). Total investment for these projects is approximately $60 million; and
4. Land for green space and stormwater improvements have been purchased along Brays Bayou. Total project costs are $5 million.

Numerous additional improvement and redevelopment projects are also being planned or are underway, such as improvements to Lansdale Park, Crain Park, and Sharpstown swimming pool. In addition to addressing the problems identified in Ordinance a1999-1330 and the project plan documents, the City of Houston and TIRZ 20 Board of Directors seek to use the TIRZ funding to help the area reach its full economic potential. As stated in the Fourth Amended Project Plan, “The Zone will facilitate economic growth through capital improvements that make sites more attractive and projects feasible, land acquisition and assembly, and development of facilities that draw visitors into the Zone. The retention and expansion of retail and commercial developments along primary arterials, such as the Bellaire Boulevard, Fondren Road, Beechnut Street, Hillcroft Street, Harwin Drive, and Bissonnet Street corridors, and secondary roadways is of key importance to the successful redevelopment of the area. The provision of base level retail functionality is essential to the continued expansion of mixed-use projects in the area.” The City and TIRZ 20 Board approved the 2017 operating budget with a total budget of $27.9 million and project annual revenue through 2040 to continue funding projects in the zone. The completed public works projects, in addition to the ongoing and planned improvements enumerated above will lead to an appropriate area for the placement of housing.

These improvements discussed herein have improved the economic future of the area and the New Hope Housing Dale Carnegie development will contribute to the zone’s bright future. The City of Houston fully supports the development of New Hope Housing Dale Carnegie and believes that it will, through award-winning architecture and meticulous management of the property, serve to continue revitalization efforts in the area. Please do not hesitate to contact me for further information.

Sincerely,

Ray S. Miller
Executive Staff Analyst
ray.miller@houstontx.gov
832-394-6119
New Hope Housing Dale Carnegie
Pre-Application: 18137
Area Amenities as of 1/9/2018

University <5mi
Houston Baptist University
7502 Fondren Road
Houston, TX 77074
(See attached map)

Full Service Grocery Store <1mi
La Michoacana
7649 Clarewood Drive
Houston, TX 77074

Health-related Facility <3mi
Legacy Community Health Clinic
5600 Rookin Street
Houston, TX 77074

Pharmacy <1mi
Preferred Pharmacy
3939 Hilcroft Street
Houston, TX 77057

Public Library <1mi
Walter Library
7660 Clarewood Drive
Houston, TX 77036

Rate of Associate's Degrees or Higher >27%
29.7% (see attached American Community Survey)
New Hope Housing Dale Carnegie - 18137

Legend
- 1 Mile Radius
- Dale Carnegie Site
- Houston Baptist University
- La Michoacana Grocery Market
- Legacy Community Health - Clinic
- METRO Bus Stops - 152, 153
- Preferred Pharmacy
- Public Library
New Hope Housing Dale Carnegie - 18137

5 mile radius

Legend
- 1 Mile Radius
- 5 Mile Radius
- Dale Carnegie Site
- Houston Baptist University
- La Michoacana Grocery Market
- Legacy Community Health - Clinic
- METRO Bus Stops - 152, 153
- Preferred Pharmacy
- Public Library
# Independent Universities

Download the Excel Version

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<thead>
<tr>
<th>Institution</th>
<th>Administrative Officer</th>
<th>Main Telephone</th>
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<tr>
<td>Abilene Christian University</td>
<td>Phil Schubert</td>
<td>(325) 674-2412</td>
</tr>
<tr>
<td>Amberlii University</td>
<td>Melinda Reagan</td>
<td>(972) 279-6511</td>
</tr>
<tr>
<td>Austin College</td>
<td>Marjorie Hass</td>
<td>(903) 813-3001</td>
</tr>
<tr>
<td>Baylor University</td>
<td>Judge Ken Starr</td>
<td>(254) 710-3555</td>
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<tr>
<td>Concordia University Texas</td>
<td>Thomas Cedel</td>
<td>(512) 313-3000</td>
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<tr>
<td>Dallas Baptist University</td>
<td>Adam Wright</td>
<td>(214) 333-5130</td>
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<tr>
<td>East Texas Baptist University</td>
<td>Lawrence Ressler</td>
<td>(903) 923-2222</td>
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<tr>
<td>Hardin-Simmons University</td>
<td>Lanny Hall</td>
<td>(325) 670-1226</td>
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<tr>
<td>Houston Baptist University</td>
<td>Robert Sloan, Jr.</td>
<td>(281) 649-3450</td>
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<tr>
<td>Howard Payne University</td>
<td>William (Bill) Ellis</td>
<td>(325) 649-8000</td>
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<tr>
<td>Huston-Tillotson University</td>
<td>Larry evangel</td>
<td>(512) 905-3001</td>
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<td>Jarvis Christian College</td>
<td>Lester Newman</td>
<td>(903) 730-4890</td>
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<td>Letourneau University</td>
<td>Date Langford</td>
<td>(903) 233-3100</td>
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<tr>
<td>Lubbock Christian University</td>
<td>L. Tim Peina</td>
<td>(806) 720-7127</td>
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<tr>
<td>McMurry University</td>
<td>Sandra Hafer</td>
<td>(325) 793-3801</td>
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<tr>
<td>Our Lady of the Lake University of San Antonio</td>
<td>Jane Ann Slater</td>
<td>(210) 431-3950</td>
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<tr>
<td>Paul Quinn College</td>
<td>Michael Sorrell</td>
<td>(214) 379-5515</td>
</tr>
<tr>
<td>Rice University</td>
<td>David Lesher</td>
<td>(713) 348-5050</td>
</tr>
<tr>
<td>Schreiner University</td>
<td>Timothy Summerlin</td>
<td>(803) 792-7346</td>
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<tr>
<td>South Texas College of Law Houston</td>
<td>Donald Guter</td>
<td>(713) 659-8040</td>
</tr>
<tr>
<td>Southern Methodist University</td>
<td>Gerard Turner</td>
<td>(214) 768-3300</td>
</tr>
<tr>
<td>Southwestern Adventist University</td>
<td>Ken Shaw</td>
<td>(817) 202-6202</td>
</tr>
<tr>
<td>Southwestern Assemblies of God University</td>
<td>Kermit S. Bridges</td>
<td>(972) 825-4652</td>
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[http://www.tchighereddata.org/Interactive/Institutionsshownr.cfm?Type=2&Level=1](http://www.tchighereddata.org/Interactive/Institutionsshownr.cfm?Type=2&Level=1)
In February 1986, a Mexican family opened a small store in Houston, not only for sales, they were also looking to serve the Hispanic community that most people hadn’t noticed.

With the support from all the family, they made sure the business kept growing, creating employments, services, values and products never seen before in the Texas community.

The first few stores opened in Houston, but it was evident that Hispanics were arriving each and every day and to many other cities. That’s why La Michoacana Meat Market™ started to expand on size, variety of products and services.

Thanks to this, as of today, we are about 140 stores. The majority of the stores are in Houston, Dallas, Austin and San Antonio; but you will also find us in many small cities where Hispanics are working hard like Corpus Christi, Lufkin, Bryan and Valley of Texas.

We will never forget our origins… nor that our main focus is our meats, fresh, juicy prepared as our customers please and Hispanic meat cuts just as we like!

Today we give thanks to our customers, to all our family members, to our employees, vendors and to this great country, who has allowed us to be the biggest chain of Hispanic supermarket in the United States.

VALUES

HONESTY  LOYALTY  GRATITUDE  HUMBLENESS  SIMPLICITY  RESPONSIBILITY

DEPARTMENTS
About Us

As a full-service, Federally Qualified Health Center, Legacy identifies unmet needs and gaps in health-related services and develops client-centered programs to address those needs. A United Way-affiliated agency since 1990, we currently provide adult primary care, pediatrics, dental care, vision services, behavioral health services, OB/GYN and maternity, vaccinations and immunizations, health promotion and community outreach, wellness and nutrition, and comprehensive HIV/AIDS care.

Legacy was formed in 2005 as a result of the merger of two leading Houston area community organizations—Montrose Clinic and The Assistance Fund—that had both been providing Houston and the Harris County area with quality health care and medication services for nearly 30 years.

Legacy’s strong reputation fueled significant growth in the mid to late 2000s. The City of Houston awarded Legacy the opportunity to open a satellite location at 5602 Lyons Avenue in 2006, in part because of our reputation for quality health care and fiscal prudence. Legacy now occupies the entire building, providing health care and social services to any and all Houstonians with a focus on individuals and families living in the greater Fifth Ward.

In 2010, Legacy acquired the CHRISTUS Health clinic in Southwest Houston, a location that now sees more patients than any other Legacy location. Later in the same year, Legacy opened a clinic in Neighborhood Center’s Baker-Ripley complex. Thanks to these locations, Legacy is able to offer adult primary care, OB/GYN and maternity, pediatrics, dental care, vaccinations and immunizations, and behavioral health services to residents in the Gulfton area.

2012 saw Legacy branch out once again, opening campuses in medically underserved areas in Baytown and Beaumont. On September 1, Legacy took over clinical operations of both a long-standing behavioral health practice in Baytown, and a well-established pediatric practice in Beaumont.

What are the features and benefits of an FQHC?
A federally Qualified Health Center addresses the unmet needs of those who find themselves lacking in certain health care services. Legacy works with a wide range of health insurance providers already, but as an FQHC we also offer a sliding fee scale. We provide wrap-around health services including preventative health, dental, behavioral health and substance abuse services.

More information about FQHCs can be found at FQHC.org.

Historical Timeline

1978  The Montrose Clinic was founded to provide screening, diagnosis, treatment and prevention of sexually transmitted diseases (STD) primarily for gay men.

1981  The Montrose Clinic was incorporated as a private non-profit 501(c)(3) community-based organization.

1982  As the AIDS crisis was emerging, The Montrose Clinic initiated PACE (Program for AIDS Counseling and Evaluation), marking the first effort of this kind in Houston.

1985  The Montrose Clinic became an HIV antibody testing site – the first community-based organization in the state and second in the nation. The staff and volunteers developed a comprehensive program to provide anonymous and confidential testing, including pre-test and post-test counseling and referrals.

1986  The Montrose Clinic launched the Next Step Program to educate newly diagnosed HIV+ individuals and their families on living with the disease.

1988  The Assistance Fund was founded to provide financial assistance to HIV-positive persons for
Connecting our communities to health every day, in every way

Since 1981, Legacy Community Health has opened our doors and our hearts to people from all walks of life. We provide a wide range of quality health care and wrap around services to all of our neighbors in Southwest Houston, regardless of ability to pay.

In the event of an emergency, dial 911 immediately.

MAPLERIDGE
6550 Mapleridge Street, Ste. 106
Houston, TX 77081
P (713) 779 7200
F (713) 665 2266

HOURS
Mon - Thu: 7:30 am - 7:30 pm
Fri: 7:30 am - 5:00 pm

PARTNERING PHARMACIES
Legacy patients are offered discount prescriptions at participating pharmacy locations. Click here for locations.

SOUTHWEST
6441 High Star
Houston, TX 77074
P (832) 548 5300
F (713) 779 9872

HOURS
OB/GYN:
Mon - Fri: 7:30 am - 6:00 pm
Sat: 9:00 am - 6:00 pm (Appt. Only)

PEDIATRIC CLINIC:
Mon - Fri: 7:30 am - 10:00 pm
Sat: 9:00 am - 6:00 pm
Sun: 12:00 pm - 7:00 pm

PARTNERING PHARMACIES
Legacy patients are offered discount prescriptions at participating pharmacy locations. Click here for locations.
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</thead>
</table>
| BAKER-RIPLEY       | 6500 Rookin Street, Bldg B, Ste 200, Houston, TX 77074 | P (713) 351 7350  
F (713) 351 7361 | Mon - Fri: 7:00 am - 5:00 pm  
Adult Primary Care: 7:30 am - 4:00 pm  
Dental Care: 8:00 am - 4:00 pm  
Behavioral Health: 7:30 am - 5:00 pm | Legacy patients are offered discount prescriptions at participating pharmacy locations. [Click here](#) for locations. |
| SHARPSTOWN SW FWY  | 9401 Southwest Freeway, Ste 127, Houston, TX 77075 | P (832) 548 5032  
F (713) 559 3270 | Wed: 8:00 am - 5:00 pm | Legacy patients are offered discount prescriptions at participating pharmacy locations. [Click here](#) for locations. |
| SHARPSTOWN ROOKIN | 6677 Rookin  
Houston, TX 77074 | P (713) 666 6700  
F (713) 666 0188 | Mon, Fri: 8:00 am - 5:00 pm  
Tues, Wed, Thurs: 8:00 am - 7:00 pm | Legacy patients are offered discount prescriptions at participating pharmacy locations. [Click here](#) for locations. |

[https://www.legacycommunityhealth.org/region/southwest/](https://www.legacycommunityhealth.org/region/southwest/)
Mental Health Mondays – Don’t Give Up: 4 Ways to Stay Grounded in Behavioral Health Care

As a behavioral health consultant at Legacy’s Montrose clinic, I often am referred patients that are in crisis. A behavioral health crisis is a state of temporary distress, which can be caused by psychological burnout, sleep deprivation, severe over work, traumatic events or an untreated mental health disorder. An untreated mental health disorder in combination with chronic health issues, relationship problems, grief or a change in housing or job status can be burdensome and lead to an inability to function.

Hey, Pregnant Ladies: Control Gestational Diabetes with These 7 Tips

If it’s uncontrolled, it can lead to complications; so, it’s important to know how to manage it.

Mental Health Mondays: Talking to Kids about School Violence

Adults have had a difficult time with the news, but what about our kids? As adults, it is our responsibility to process tragic experiences with our children who may be feeling fear and confusion.
About Us

Preferred Pharmacy is a humble neighborhood pharmacy which was started by local owners to provide local families and communities with high-standard pharmacy services and first-rate pharmaceutical products and supplies.

Now, years after, we have successfully proven our commitment to our mission. With a team of professional pharmacists, skilled chemists, and approachable staff, we have made the lives of our customers more healthy and convenient. And because of that, we have, in turn, gained their loyalty and trust over the years.

Our Mission

Preferred Pharmacy seeks to deliver incomparable pharmacy services and top-of-the-line medical products to our loyal clients and customers. We reach out to patients and families at home, in hospitals, and in institutions, providing them with no less than their specific and distinctive needs as patients or care providers. We will do this by employing the latest technological advancements and clinical discoveries, matched with utmost professionalism and genuine passion for the good of those we serve.

We encourage you to visit us in our pharmacy in 3939 Hillcroft Street, Houston, Texas. We cannot wait to meet you and serve you today.
Walter Neighborhood Library

Address
7660 Clarewood
Houston, Texas 77036
Fully Accessible

Phone Number
832-393-2500

Hours
M 10-6  |  T 10-6  |  W 10-6  |  Th 12-8  |  F 10-5  |  Sa 10-5  |  Su Closed

Parking
Free parking. Parking lot entrances are on Fondren and Clarewood.

Meeting Rooms
Meeting Room capacity 96; Conference Room capacity 5; Actual meeting room capacity may vary depending on your specific needs. Please call 832-393-2500 for more information.

Bus Routes
Nearby routes: 9, 63. For exact route information, please visit ridemetro.org and use the "Plan Your Trip" feature.
### Educational Attainment

**2012-2016 American Community Survey 5-Year Estimates**

**Note:** This is a modified view of the original table. Supporting documentation on code lists, subject definitions, data accuracy, and statistical testing can be found on the American Community Survey website in the Data and Documentation section.

Sample size and data quality measures (including coverage rates, allocation rates, and response rates) can be found on the American Community Survey website in the Methodology section.

**Tell us what you think.** Provide feedback to help make American Community Survey data more useful for you.

Although the American Community Survey (ACS) produces population, demographic and housing unit estimates, it is the Census Bureau’s Population Estimates Program that produces and disseminates the official estimates of the population for the nation, states, counties, cities and towns and estimates of housing units for states and counties.

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<td>Bachelor's degree or higher</td>
<td>19</td>
<td>3.1%</td>
<td>+/-5.1</td>
<td></td>
</tr>
<tr>
<td>Population 25 years and over</td>
<td>3,045</td>
<td>(X)</td>
<td>(X)</td>
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<tr>
<td>Less than 9th grade</td>
<td>508</td>
<td>16.7%</td>
<td>+/-4.8</td>
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<tr>
<td>9th to 12th grade, no diploma</td>
<td>142</td>
<td>4.7%</td>
<td>+/-2.0</td>
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<tr>
<td>High school graduate (includes equivalency)</td>
<td>846</td>
<td>27.8%</td>
<td>+/-6.5</td>
<td></td>
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<tr>
<td>Some college, no degree</td>
<td>646</td>
<td>21.2%</td>
<td>+/-6.4</td>
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<tr>
<td>Associate's degree</td>
<td>145</td>
<td>4.8%</td>
<td>+/-2.7</td>
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<tr>
<td>Bachelor's degree</td>
<td>552</td>
<td>18.1%</td>
<td>+/-5.7</td>
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<tr>
<td>Graduate or professional degree</td>
<td>206</td>
<td>6.8%</td>
<td>+/-3.2</td>
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<tr>
<td>Percent high school graduate or higher</td>
<td>(X)</td>
<td>78.7%</td>
<td>+/-4.6</td>
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</tr>
<tr>
<td>Percent bachelor's degree or higher</td>
<td>(X)</td>
<td>24.9%</td>
<td>+/-6.2</td>
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<tr>
<td>Population 25 to 34 years</td>
<td>1,165</td>
<td>(X)</td>
<td>(X)</td>
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<tr>
<td>High school graduate or higher</td>
<td>942</td>
<td>80.9%</td>
<td>+/-9.6</td>
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<td>Bachelor's degree or higher</td>
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<td>Population 35 to 44 years</td>
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<td>(X)</td>
<td>(X)</td>
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<td>69.5%</td>
<td>+/-10.7</td>
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<tr>
<td>Bachelor's degree or higher</td>
<td>134</td>
<td>13.6%</td>
<td>+/-7.8</td>
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<tr>
<td>Population 45 to 64 years</td>
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<td>(X)</td>
<td>(X)</td>
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<tr>
<td>High school graduate or higher</td>
<td>595</td>
<td>85.6%</td>
<td>+/-7.1</td>
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<tr>
<td>Bachelor's degree or higher</td>
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<tr>
<td>Population 65 years and over</td>
<td>201</td>
<td>(X)</td>
<td>(X)</td>
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29.7 total
<table>
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<tr>
<th>Subject</th>
<th>Census Tract 4328.01, Harris County, Texas</th>
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<tr>
<td></td>
<td>Total</td>
</tr>
<tr>
<td>High school graduate or higher</td>
<td>174</td>
</tr>
<tr>
<td>Bachelor's degree or higher</td>
<td>71</td>
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</table>

**MEDIAN EARNINGS IN THE PAST 12 MONTHS (IN 2016 INFLATION-ADJUSTED DOLLARS)**

| Population 25 years and over with earnings | 25,993 | (X) |

Data are based on a sample and are subject to sampling variability. The degree of uncertainty for an estimate arising from sampling variability is represented through the use of a margin of error. The value shown here is the 90 percent margin of error. The margin of error can be interpreted roughly as providing a 90 percent probability that the interval defined by the estimate minus the margin of error and the estimate plus the margin of error (the lower and upper confidence bounds) contains the true value. In addition to sampling variability, the ACS estimates are subject to nonsampling error (for a discussion of nonsampling variability, see Accuracy of the Data). The effect of nonsampling error is not represented in these tables.

Questions for "wage and salary" and "tips, bonuses and commissions" were asked separately for the first time during non-response follow-up via Computer Assisted Telephone Interview (CATI) and Computer Assisted Personal Interview (CAPI). Prior to 2013 these questions were asked in combination, "wages, salary, tips, bonuses and commissions."

While the 2012-2016 American Community Survey (ACS) data generally reflect the February 2013 Office of Management and Budget (OMB) definitions of metropolitan and micropolitan statistical areas; in certain instances the names, codes, and boundaries of the principal cities shown in ACS tables may differ from the OMB definitions due to differences in the effective dates of the geographic entities.

Estimates of urban and rural population, housing units, and characteristics reflect boundaries of urban areas defined based on Census 2010 data. As a result, data for urban and rural areas from the ACS do not necessarily reflect the results of ongoing urbanization.

Source: U.S. Census Bureau, 2012-2016 American Community Survey 5-Year Estimates

Explanation of Symbols:

1. An "**" entry in the margin of error column indicates that either no sample observations or too few sample observations were available to compute a standard error and thus the margin of error. A statistical test is not appropriate.
2. An "-'" entry in the estimate column indicates that either no sample observations or too few sample observations were available to compute an estimate, or a ratio of medians cannot be calculated because one or both of the median estimates falls in the lowest interval or upper interval of an open-ended distribution.
3. An '-' following a median estimate means the median falls in the lowest interval of an open-ended distribution.
4. An '+' following a median estimate means the median falls in the upper interval of an open-ended distribution.
5. An '***' entry in the margin of error column indicates that the median falls in the lowest interval or upper interval of an open-ended distribution. A statistical test is not appropriate.
6. An '*****' entry in the margin of error column indicates that the estimate is controlled. A statistical test for sampling variability is not appropriate.
7. An 'N' entry in the estimate and margin of error columns indicates that data for this geographic area cannot be displayed because the number of sample cases is too small.
8. An '(X)' means that the estimate is not applicable or not available.
<table>
<thead>
<tr>
<th>County</th>
<th>County</th>
<th>County</th>
<th>County</th>
</tr>
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<tbody>
<tr>
<td>Angelina</td>
<td>Eastland</td>
<td>Karnes</td>
<td>Roberts</td>
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<tr>
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<td>Kerr</td>
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<td>Kleberg</td>
<td>Sabine</td>
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<td>Austin</td>
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<td>Bandera</td>
<td>Fort Bend</td>
<td>Lee</td>
<td>San Jacinto</td>
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<td>Galveston</td>
<td>Leon</td>
<td>San Patricio</td>
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<td>Goliad</td>
<td>Liberty</td>
<td>Shelby</td>
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<tr>
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<td>Smith</td>
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<tr>
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<td>Somervell</td>
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<tr>
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<td>Lubbock</td>
<td>Stephens</td>
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<td>Guadalupe</td>
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<td>Trinity</td>
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<td>Burleson</td>
<td>Hardin</td>
<td>Matagorda</td>
<td>Tyler</td>
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<tr>
<td>Cameron</td>
<td>Henderson</td>
<td>Nueces</td>
<td>Waller</td>
</tr>
<tr>
<td>Chambers</td>
<td>Hidalgo</td>
<td>Ochiltree</td>
<td>Washington</td>
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<tr>
<td>Clay</td>
<td>Hood</td>
<td>Orange</td>
<td>Wharton</td>
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<tr>
<td>Coleman</td>
<td>Houston</td>
<td>Palo Pinto</td>
<td>Wheeler</td>
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<td>Parker</td>
<td>Willacy</td>
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<tr>
<td>Comal</td>
<td>Jasper</td>
<td>Polk</td>
<td>Wilson</td>
</tr>
<tr>
<td>Comanche</td>
<td>Jefferson</td>
<td>Rains</td>
<td></td>
</tr>
<tr>
<td>DeWitt</td>
<td>Jim Wells</td>
<td>Refugio</td>
<td></td>
</tr>
</tbody>
</table>
# 2018 Declared Disaster Areas

Counties Eligible under §11.9(d)(8) of the 2018 QAP

Readiness to Proceed in Disaster Impacted Counties

<table>
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<th>County 1</th>
<th>County 2</th>
<th>County 3</th>
<th>County 4</th>
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<tr>
<td>Aransas</td>
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<td>Jefferson</td>
<td>Orange</td>
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<td>Austin</td>
<td>Fort Bend</td>
<td>Karnes</td>
<td>Polk</td>
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<tr>
<td>Bastrop</td>
<td>Galveston</td>
<td>Kleberg</td>
<td>Refugio</td>
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<tr>
<td>Bee</td>
<td>Goliad</td>
<td>Lavaca</td>
<td>Sabine</td>
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<tr>
<td>Brazoria</td>
<td>Gonzales</td>
<td>Lee</td>
<td>San Jacinto</td>
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<tr>
<td>Caldwell</td>
<td>Grimes</td>
<td>Liberty</td>
<td>San Patricio</td>
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<tr>
<td>Calhoun</td>
<td>Hardin</td>
<td>Matagorda</td>
<td>Tyler</td>
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<tr>
<td>Chambers</td>
<td>Harris</td>
<td>Montgomery</td>
<td>Victoria</td>
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<tr>
<td>Colorado</td>
<td>Jackson</td>
<td>Newton</td>
<td>Walker</td>
</tr>
<tr>
<td>DeWitt</td>
<td>Jasper</td>
<td>Nueces</td>
<td>Waller</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Wharton</td>
</tr>
</tbody>
</table>
Dale Carnegie SRO, Ltd., HACDC, and New Hope Housing, Inc. are committed to closing all financing and fully executing all applicable contracts, including the construction contract, on or before October 31, 2018. Since placing the project site under control on January 8, 2018, the organization has been rapidly mobilizing all financing partners, the general contractor, architect, and all consultants and subcontractors to ensure all parties are fully committed and are working toward an October 2018 closing and November 2018 groundbreaking. All development team members have fully committed to this timeline. Below is a detailed summary of itemized documentation submitted with this application to illustrate the project’s readiness to proceed.

**Loan or equity commitments with evidence of completed due diligence**
- NEF Letter evidences completed due diligence and confirms finance closing timeline included behind Tab 35.
- BBVA Compass letter of timeline confirms due diligence completed and outlines timeline for loan approvals and closing.

**Documentation from lender of critical path**
- Letter of timeline and confirmation of completed due diligence from BBVA Compass.

**Critical path schedule from architect of record**
- See attached architect timeline.

**Description from architect of record of current stage of architectural plans**
- See attached architect timeline, including statement at the top regarding current stage

**Description of timing for property acquisition**
- Dale Carnegie SRO, Ltd. fully expects to complete site due diligence and close on the land simultaneously with the finance closing, as is customary. The site re-plat has been submitted to the City of Houston, as have the water/wastewater letters, which will allow the owner to proceed with assessing and paying impact fees and have a prepared and approved plat prior to closing.

**Description of timing for construction permits**
- GSMA timeline shows a Permit Issue Set to be submitted for construction permit application on or before June 1, 2018. The schedule allows for a 90-day review, with a designated permit expediter. In 2016, at the height of multifamily construction in Houston, TX, the developer was able to submit for permit and deliver a permitted set of drawings within 100 days for a far more complicated mixed-use project. The architect and permit expediter fully expect to pull a permit set of drawings 90 days after submission.
Evidence of selection of construction contractor
- See attached draft of construction contract, including GC contract and prime subcontract. Both of these documents are expected to be executed on or before closing of financing, on or before October 31, 2018. New Hope Housing and HACDC have a significant partnership history with Camden Builders and have been working in close coordination on estimated pricing and timeline execution.

Description of timing for execution of construction contracts
- Final pricing will be issued by Camden approximately 45 days after the permit issue set is delivered by the architect on June 1, 2018. The project owner will enter into a construction contract agreement when the Guaranteed Maximum Price amendment is delivered by Camden and pricing is ultimately finalized. The existing draft construction cost includes an educated and reasonable estimate of cost based on the preliminary construction drawings.

Detailed construction schedule
- See the included construction schedule as attachment to the draft construction contract.

Project execution plan
- See the attached timeline of critical path benchmarks by owner.
- See the attached evidence of development team meeting (sign in sheet) held on February 21, 2018 at the office of the architect of record, GSMA (Ernesto Maldonado). Attendees at this meeting developed the critical path for execution of all key benchmarks to allow the owner to close financing on or before October 31, 2018 and begin construction on November 15, 2018. All meeting attendees are fully committed to executing development benchmarks according to the timelines included within this application. Attendees included the following development team members:
  - Owner Representative: Emily Abeln, HACDC/New Hope Housing, Inc.
  - Architect of record: Ernesto Maldonado, GSMA
  - Civil Engineer of record: David Brewer & Fesseha Mehari, Brewer Escalante
  - Construction Contractor: Mike Eilertsen, Camden Builders, Inc.
  - Project Manager: Marty Schmitt & Alex Zetusky & Spencer Clark, ACGM

Other: Executed geotechnical proposal
- Beginning March 7, 2018 Gorondona will perform comprehensive geotechnical testing, the final report of which will allow the architect and structural engineers to appropriately design the building infrastructure within the design timeline provided. This is further evidence of the owner’s commitment to begin construction in November 2018, immediately after the October 2018 finance closing.

Other: Water/Wastewater Application Submission
- With the current owner’s permission, the developer has submitted application for the Water/Wastewater impact fee letters. This is a critical path benchmark since all impact fees must be submitted alongside the permit application. Project owner anticipates receiving the letters stating the proposed impact fees on or before March 31, 2018, well in advance of the June 1, 2018 permit application benchmark.
**Other: Zoning**
Appropriate zoning is currently in place for New Hope Housing Dale Carnegie. There is no zoning in the City of Houston. See evidence provided in Tab 8 of the application.

**Other: Executed proposal for waterproofing review of architectural drawings**
- Dale Carnegie SRO, Ltd. is not only committed to the accelerated timeline of beginning construction in November 2018, but it is equally committed to design quality and superior building envelope construction. NHHI has brought on the waterproofing consultant, BE-CI to conduct preliminary design reviews and documented recommendations for developing a project of the highest design and construction quality. BE-CI has also been commissioned for field testing, which simulates catastrophic rain conditions, to ensure subcontractor execution of the design plans and manufacturer recommendations for the building envelope materials.
New Hope Housing, Inc.
c/o Joy Horak-Brown
President and CEO
1117 Texas Avenue
Houston, TX 77002

Re: New Hope Housing Dale Carnegie, Houston, Texas

Dear Joy,

You have asked for me to send you a letter outlining some of the major due diligence items which will be required to close and their anticipated timing so that you can be assured that closing can occur by October 31, 2018. Below is the critical path schedule for the underwriting and approval process:

- Received and Reviewed Draft Construction Contract  
  Completed 2/27/18
- Received and Reviewed ALTA Survey  
  Completed 2/27/18
- Received and Reviewed Preliminary Architectural Drawings  
  Completed 2/27/18
- Receive and Approve Phase 1 Environmental Site Assessment  
  3/15/18 – 3/31/18
  - Review of the Phase 1 ESA takes 1-2 weeks and is performed by an outside consultant. These fees are typically paid by the borrower at closing.
- Receive and Review Market Study  
  4/1/18 – 4/15/2018
  - Market study is provided by borrower.
- Order and Approve Appraisal  
  6/1/18 – 7/1/18
  - Appraisal will be ordered when new LIHTC rents come out, and so that the appraisal is no more than six months old on the closing date. The appraisal fees will be collected when ordered. This is typically a four week turnaround, but can be expedited for additional fees to the appraiser.
- Compass Underwriting and Credit Approvals  
  6/15/18 – 9/15/18
  - The Bank’s credit review has been performed preliminarily and is ongoing during the closing process.
- Outside Legal Engaged and Loan Documents Prepared  
  8/1/18 – 10/1/18
  - Loan documentation is done by outside counsel who will typically be engaged three months prior to the anticipated closing date. A deposit is typically taken when engaged, with the remainder paid upon closing.
- Engage and finalize plan and cost review  
  9/1/18 – 9/22/18
  - Plan and cost review is performed by outside consultant and generally takes about two weeks from the time they receive the final plans and specifications. These fees are typically paid by the borrower at closing.
February 27, 2018
Page 2

Closing of Construction Loan 10/1/18

Sincerely,

[Signature]

Ken Overshiner, Senior Vice President,
Community Development Capital, Compass Bank
27 February 2018

SCHEDULE FOR NEW HOPE HOUSING DALE CARNEGIE

To date GSMA has completed the following elements of the design process:

- Reviewed TDHCA requirements
- Reviewed site information, survey and easements
- Verified the number of units and common areas can be accommodated
- Calculated and confirmed parking requirements
- Coordinated drainage, detention, and site planning with Civil Engineer
- Submitted unit plans for preliminary accessibility review
- Conducted initial feasibility meeting with team to ensure a permit set of documents will be prepared by JUNE 1, 2018 and permitted by SEPTEMBER 1, 2018

With the completion of the feasibility package, we are now beginning the Schematic Design Phase of the schedule, with the engineering teams.

<table>
<thead>
<tr>
<th>Duration</th>
<th>Benchmark/Tasks</th>
<th>Date</th>
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<tbody>
<tr>
<td>6 weeks</td>
<td>Preliminary Site Analysis</td>
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<tr>
<td></td>
<td>Deliver Site and Program to GSMA</td>
<td>05 JAN 2018</td>
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<tr>
<td></td>
<td>Preliminary Site Analysis</td>
<td></td>
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<tr>
<td></td>
<td>Issue Feasibility Package</td>
<td>15 FEB 2018</td>
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<tr>
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<td>Feasibility Package Updated</td>
<td>27 FEB 2018</td>
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<tr>
<td>3 weeks</td>
<td>Schematic Design (SD) Phase</td>
<td>27 FEB 2018</td>
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<td>Review Programming with owner</td>
<td>08 MAR 2018</td>
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<td></td>
<td>Design Review with owner</td>
<td>22 MAR 2018</td>
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<td>Issue SD package to owner for approval</td>
<td>23 MAR 2018</td>
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<tr>
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<td>LEED Team Meeting/Review SD Pkg.</td>
<td>29 MAR 2018</td>
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<td>Owner Approval to proceed</td>
<td>30 MAR 2018</td>
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<td>3 weeks</td>
<td>Design Development (DD) Phase</td>
<td>02 APR 2018</td>
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<td>Issue Backgrounds to consultants</td>
<td>02 APR 2018</td>
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<td>LEED Team Meeting - Review Points</td>
<td>05 APR 2018</td>
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<td>LEED Team Meeting – Durability Checklist</td>
<td>12 APR 2018</td>
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<td>Issue Progress Set for Preliminary Pricing</td>
<td>23 APR 2018</td>
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<td>12 weeks</td>
<td>Construction Document (CD) Phase</td>
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<td>Issue updated backgrounds to consultants</td>
<td>27 APR 2018</td>
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<tr>
<td>2 weeks</td>
<td>Issue 90% CD check set for review</td>
<td>10 MAY 2018</td>
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<tr>
<td>2 weeks</td>
<td>Return redlines to consultants</td>
<td>15 MAY 2018</td>
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<tr>
<td>12 weeks</td>
<td>Issue for Building Permit Application &amp; Final Set for Contractor Pricing</td>
<td>01 JUNE 2018</td>
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<tr>
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<td>Respond to plan review comments</td>
<td></td>
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<tr>
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<td>Stamped Permitted Set for Construction</td>
<td>01 SEPT 2018</td>
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<tr>
<td>88 weeks</td>
<td>Ground Breaking/Begin Construction</td>
<td>15 NOV 2018</td>
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<tr>
<td></td>
<td>Substantial Completion</td>
<td>15 SEPT 2020</td>
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# Overview of Design, Permitting, and Financing Timeline

## New Hope Housing Dale Carnegie

<table>
<thead>
<tr>
<th>Event</th>
<th>Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contact Council Member &amp; Request City Support</td>
<td>13-Dec</td>
</tr>
<tr>
<td>Place land under exclusive contract</td>
<td>8-Jan</td>
</tr>
<tr>
<td>Submit Tax Credit Pre-Application &amp; Send Notifications</td>
<td>9-Jan</td>
</tr>
<tr>
<td>Submit City of Houston Funding Application</td>
<td>9-Jan</td>
</tr>
<tr>
<td>Submit Tax Credit Application w/Third Party Reports</td>
<td>14-Feb</td>
</tr>
<tr>
<td>Third Party Report Procurement &amp; Finalization</td>
<td>1-May</td>
</tr>
<tr>
<td>Finalize Architect Contract</td>
<td>1-Apr</td>
</tr>
<tr>
<td>Architecture - Design Development</td>
<td>5-Apr</td>
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<tr>
<td>Complete Peer Review of Plans</td>
<td>30-May</td>
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<tr>
<td>Complete Waterproofing Review of Plans</td>
<td>30-May</td>
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<tr>
<td>Complete Accessibility Review of Plans</td>
<td>30-May</td>
</tr>
<tr>
<td>City of Houston Issues Award Determination</td>
<td>30-May</td>
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<tr>
<td>Submit Architectural Plans for Permit - Expedited 90 Day Review</td>
<td>1-Jun</td>
</tr>
<tr>
<td>Final Pricing Estimate from Camden Builders</td>
<td>1-Apr</td>
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<tr>
<td>TDHCA Board meeting for LIHTC determination</td>
<td>5-Sep</td>
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<tr>
<td>COH City Council Approves Project Funding Request</td>
<td>22-Aug</td>
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<tr>
<td>Architectural Plans - Permit Receipt</td>
<td>5-Sep</td>
</tr>
<tr>
<td>Dale Carnegie SRO, Ltd. Legal Documents Drafted and Submitted to Closing Team</td>
<td>15-Sep</td>
</tr>
<tr>
<td>Construction Lender Finalize Closing Documents</td>
<td>19-Sep</td>
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<tr>
<td>Equity Investor/Syndicator Finalize Closing Documents</td>
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<tr>
<td>Close 100% Project Financing</td>
<td>31-Oct</td>
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<tr>
<td>City of Houston Pre-Construction Meeting</td>
<td>7-Nov</td>
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<tr>
<td>Break ground &amp; Begin construction</td>
<td>14-Nov</td>
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<tr>
<td>Time</td>
<td>Event Description</td>
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<tr>
<td>9:30 AM</td>
<td>NHH - Dale Carnegie Project Reading</td>
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**Options**
- Start time: Wed 2/21/2018 9:30 AM
- End time: Wed 2/21/2018 12:00 PM

**Status**
- Busy
- Tentative
- Out of Office
- Working Elsewhere
- No Information
- Outside of working hours

**Note:** Some People Pane features are turned off because Windows Desktop Search isn't available.
Ms. Emily Abeln  
New Hope Housing, Inc.  
1117 Texas Avenue  
Houston, Texas 77002

Re: GES Proposal No. P18-0125  
Geotechnical Investigation  
New Hope Housing Dale Carnegie  
Houston, Texas

Dear Ms. Abeln:

Gorrondona Engineering Services, Inc. (GES) is pleased to offer this proposal for a geotechnical investigation for the referenced project. We prepared this proposal based on information provided.

**Project Location:** The site is located on the south to Dale Carnegie Lane and Regency Square Blvd., in Houston, Texas.

**Project Description:** The project consists of the following proposed improvements:

- A four-story wood-framed multifamily residential complex,
- A two-story common building,
- An underground detention, and
- Parking and drive areas.

**Assumptions:** Our proposal assumes and is based upon the following:

- The site is readily accessible;
- The site does not require clearing for boring access;
- The boring locations can be accessed by a buggy-mounted drilling rig; and
- The boring locations are not covered by concrete.
FIELD INVESTIGATION

The proposed field investigation includes:

<table>
<thead>
<tr>
<th>No. of Borings</th>
<th>Depth per Boring (feet)</th>
<th>Location</th>
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</thead>
<tbody>
<tr>
<td>5</td>
<td>30</td>
<td>In the area of proposed residential complex.</td>
</tr>
<tr>
<td>2</td>
<td>30</td>
<td>In the area of the proposed common building.</td>
</tr>
<tr>
<td>5</td>
<td>15</td>
<td>In the area proposed underground detention/paving.</td>
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</table>

Twelve borings totaling 285 feet of drilling are included in the final investigation scope of work.

Field personnel will drill the borings using the equipment stated in our assumptions. Cohesive and non-cohesive soil samples will be obtained using three-inch diameter Shelby tube samplers (ASTM D-1587) and two-inch diameter standard split-spoon samplers (ASTM D-1586), respectively.

An engineering geologist or soils technician will extrude the samples in the field, check the samples for consistency with a hand penetrometer, carefully wrap them to preserve their condition, and return them to the laboratory for testing. A log of each boring will be prepared to document field activities and results. GES will stake the boring locations using normal taping procedures. Locations will be shown on the plan of borings. Precise surveying of boring locations and elevations is not included in the cost estimate. These services may be provided upon request, at additional cost. At the completion of drilling operations, bore holes will be backfilled and plugged with soil cuttings.

LABORATORY INVESTIGATION

Laboratory tests will be required for classification purposes, to determine strength characteristics, and to evaluate both the short- and long-term deformation/swell properties of the materials encountered. Testing will be in accordance with our standard procedures which include moisture content and soil identification, liquid and plastic limit determinations, strength tests on soil, and unit weight determinations. The specific types and quantities of tests will be determined based on soil conditions encountered in the borings.

ENGINEERING SERVICES

The engineering report will be prepared by a registered engineer and will present the results of the field and laboratory data together with our analyses of the results and preliminary and/or final recommendations, as appropriate. We will provide a digitally signed and sealed report in electronic PDF format. The report will address:
• soil and groundwater conditions encountered at the boring locations;
• foundation design recommendations including foundation type, identification of bearing strata, allowable bearing pressure, and estimated settlement;
• recommendations for floor slab support, including evaluation of swell characteristics of subgrade soils;
• recommendations for horizontal and lateral earth pressures related to buried and retaining structures;
• paving recommendations;
• underground detention recommendations;
• earthwork recommendations, including material and compaction requirements; and
• construction considerations related to soil and groundwater conditions at the borings.

COST OF SERVICES

Based on the scope of services described above, we propose a lump sum fee of $9,974.00 for the geotechnical investigation phase of the project. A detailed cost estimate is attached. This fee will not be exceeded without prior authorization. Items other than those specified above, or changes in drilling requirements, which are revealed by these studies or are necessitated by a change in project scope, may require revised field, laboratory, and engineering services. These services will be discussed and negotiated on an individual basis. The final invoice will be sent to you with our report.

PROJECT SCHEDULE

We plan to initiate these studies within five working days of receipt of notice-to-proceed and anticipate that two to three working days will be required to complete the field investigation (weather conditions permitting). You will receive the final report approximately 10 working days following completion of field operations. If you require a delivery time frame other than that presented above, please advise us at the time of completing the agreement so that we may make the appropriate adjustments in our schedule to accommodate your needs.

Items to be provided by the client include the right-of-entry to conduct the exploration and information regarding the location of any utilities on the subject site. Any restrictions or special project requirements should be brought to our attention before we commence fieldwork. Should weather or other factors result in unforeseen changes in site accessibility, GES will contact the client to discuss accessibility options and associated fees.
Please sign and return one copy of the proposal where indicated below as your authorization to proceed. By execution of this proposal, the undersigned Client acknowledges and agrees that the document entitled “Terms and Conditions” has been provided or made available to Client and Client agrees that such Terms and Conditions shall be applied to the present Proposal and shall be fully binding upon Client. The Terms and Conditions are fully incorporated into this Proposal by reference as if set forth at length.

Thank you for the opportunity to present this proposal. Please call if you have any questions or if you have suggestions regarding changes to the agreement or to the proposed work scope. We look forward to working with you on the project.

Respectfully submitted,

Gorrondona Engineering Services, Inc.

Faisal A. Samoo, P.E.
2018.02.22 16:09:28 -06'00'

Faisal A. Samoo, P.E.
Engineering Department Manager

GORRONDONA ENGINEERING SERVICES, INC. - TEXAS ENGINEERING FIRM REGISTRATION NO. F-17076

Attachments: Cost Estimates, Terms and Conditions

PROPOSAL ACCEPTED BY:

[Signature]

Date: 2/26/18

Emily Abeln ____________________________
VP, Real Estate Development

New Hope Housing, Inc & HACDC

Company
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<td>Director/Principal Engineer</td>
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<td>Area Manager/Principal Engineer</td>
<td>$180.00</td>
<td>Hour</td>
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<tr>
<td>Engineering/CMT Manager</td>
<td>$170.00</td>
<td>Hour</td>
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<tr>
<td>Senior Project Engineer</td>
<td>$130.00</td>
<td>Hour</td>
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<td>Project Engineer</td>
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<td>Hour</td>
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<td>Director/Principal Engineer</td>
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<tr>
<td>Area Manager/Principal Engineer</td>
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**PROJECT TOTAL**                                    $ 9,974.00
SECTION 1: PARTIES AND SCOPE OF WORK: Gorondona Engineering Services, Inc. (hereinafter referred to as “GES”) shall include said company or its particular division, assigns, successors, subsidiary or affiliate performing the work. “Work” (whether such term is capitalized or not) means the specific geotechnical, analytical, testing or other service to be performed by GES as set forth in GES’s proposal and these Terms and Conditions. All additional work ordered by Client shall also be subject to these Terms and Conditions. “Client” refers to the person or business entity ordering the work to be done by GES. If Client is ordering the work on behalf of another, Client represents and warrants that it is the duly authorized agent of said party for the purpose of ordering and directing said work. Unless otherwise stated in writing, Client assumes sole responsibility for determining whether the quantity and the nature of the work ordered by the client is adequate and sufficient for Client’s intended purpose. Client shall communicate these Terms and Conditions to each and every third party to whom Client transmits any part of GES’s work. GES shall have no duty or obligation to any third party greater than that set forth in GES’s proposal, Client’s acceptance thereof and these Terms and Conditions. The ordering of work from GES, or the reliance on any of GES’s work, shall constitute acceptance of the terms of GES’s proposal and these Terms and Conditions, regardless of the terms of any subsequently issued document. If unexpected site conditions are discovered, the scope of work may require additional services even as the work is in progress. GES will provide these additional services at its normal schedule rate. Initiation of services by GES for Client will automatically invoke and be performed subject to these Terms and Conditions. GES’s duties and obligations for any Work performed is to Client only. If Client chooses to charge any third party for any work performed hereunder, Client is solely responsible for assessing such charges against said third parties. GES assumes no duty or obligation to pursue such charges against any third party other than Client and Client remains solely responsible to GES, regardless of the reimbursable or non-reimbursable status of the charges.

SECTION 2: ACCESS TO SITE: Client will arrange and provide such access to the site as is necessary for GES to perform the work. GES shall take reasonable measures and precautions to minimize damage to the site and any improvements located thereon as the result of its work or the use of its equipment; however, GES has not included in its fee the cost of restoration of damage which may occur and shall have no obligation to perform any such restoration work. If Client desires or requires GES to restore the site to its former condition, upon written request GES will perform such additional work as is necessary to do so and Client agrees to pay to GES for the cost.

SECTION 3: TEST AND INSPECTIONS: Client shall cause all tests and inspections of the site, materials and work performed others to be timely and properly performed in accordance with the plans, specifications and contract documents and GES’s recommendations. Any re-testing, if deemed necessary by GES, or testing due to cancellation of scheduled tests not due to the fault of GES, are outside the scope of work hereunder and will be provided to Client for an additional charge at GES’s normal rates. No claims for loss, damage or injury shall be brought against GES by Client or any third party unless all tests and inspections have been so performed and unless GES’s recommendations have been exactly followed. Client agrees to indemnify, defend and hold GES, its officers, employees and agents harmless from any and all claims, suits, losses, costs and expenses, including, but not limited to, court costs and reasonable attorney’s fees in the event that all such tests and inspections are not so performed or GES’s recommendations are not so followed.

SECTION 4: CLIENT’S DUTY TO NOTIFY ENGINEER: Client represents and warrants that it has advised GES of any known or suspected hazardous materials, utility lines and pollutants at any site at which GES is to do work hereunder, and unless GES has specifically assumed in writing the responsibility of locating subsurface objects, structures, lines or conduits, Client agrees to defend, indemnify and save GES harmless from all claims, suits, losses, costs and expenses, including reasonable attorney’s fees, incurred as a result of personal injury, death or property damage resulting to or caused by contact with subsurface or latent objects, structures, lines or conduits where the actual or potential presence and location thereof were not specifically revealed to GES by Client.

SECTION 5: RESPONSIBILITY: GES’s work shall not include determining, supervising or implementing the means, methods, techniques, sequences or procedures of construction. GES shall not be responsible for evaluating, reporting or affecting job conditions concerning health, safety or welfare. GES’s work or failure to perform same shall not in any way excuse any contractor, subcontractor, laborer or supplier from performance of its work in accordance with the contract documents. GES has no right or duty to stop any contractor’s work.

SECTION 6: SAMPLE DISPOSAL: Unless otherwise agreed in writing, test specimens or samples will be disposed immediately upon completion of the test. All drilling samples or specimens will be disposed sixty (60) days after submission of GES’s report to Client.

SECTION 7: PAYMENT: Client shall be invoiced once each month for work performed during the preceding period. Client agrees to pay each invoice within thirty (30) days of its receipt. Client further agrees to pay interest on all amounts invoiced and not paid or objected to for valid cause in writing within said thirty (30) day period at the rate of eighteen (18) percent per annum (or the maximum interest rate permitted under applicable law), until paid. Client agrees to pay GES’s cost of collection of all amounts due and unpaid after sixty (60) days, including court costs and attorney’s fees. GES shall not be bound by any provision or agreement requiring or providing for arbitration of disputes or controversies arising out of this agreement, any provision wherein GES waives any rights to a mechanics’ lien, or any provision conditioning GES’s right to receive payment for its work upon payment to Client by any third party. These Terms and Conditions are notice, where required, that GES intends to file a lien to collect past due amounts. Client agrees to provide GES, upon request, all information necessary for GES to file its lien, including, but not limited to, a legal description of the property upon which the work was performed. Failure to make payment within 30 days of invoice shall constitute an irrevocable final release of GES from any and all claims which Client may have, whether in tort, contract or otherwise, and whether known or unknown at the time.

SECTION 8: WARRANTY: GES’s services will be performed, its findings obtained and its reports prepared in accordance with its proposal and these Terms and Conditions, and with generally accepted principles and practices. In performing its services, GES will use that degree of care and skill ordinarily exercised under similar circumstances by members of its profession. This warranty is in lieu of all other warranties or representations, either express or implied. Statements made in GES reports are opinions based upon engineering judgment and are not to be construed as representations of fact.

Should GES or any of its employees be found to have been negligent in the performance of its work, or to have made and breached any express or implied warranty, representation or contract, client, all parties claiming through client, and all parties claiming to have in any way relied upon GES’s work, agree that the maximum aggregate amount of the liability of GES, its officers, employees and agents shall be limited to $25,000.00 or the total amount of the fee paid to GES for its work performed with respect to the project, whichever amount is greater.

In the event client is unwilling or unable to limit GES’s liability in accordance with the provisions set forth in this paragraph, client may, upon written request from client received within five days of client’s acceptance hereof, increase the limit of GES’s liability to $250,000.00 by agreeing to pay GES a sum equivalent to an additional amount of 10% of the total fee to be charged for GES’s services. This charge is not to be construed as being a charge for insurance of any type, but is increase consideration for the greater liability accepted by GES. In any event, attorney’s fees expended by GES in connection with any claim shall reduce the amount available, and only such amount shall apply to any project regardless of the number of claims or causes of action arising out of the work. Client waives any and all claims for consequential, special or punitive damages against GES arising out of or relating to the work.

No action or claim, whether in tort, contract, or otherwise, may be brought against GES, arising from or related to GES’s work, more than two years and one day after the cessation of GES’s work hereunder. Limitations on liability and indemnities in this agreement are business understandings between the parties voluntarily and knowingly entered into, and shall apply to all theories of recovery including, but not limited to breach of contract, warranty, tort (including negligence), strict or statutory liability, or any other cause of action, except for willful misconduct or gross negligence. The parties also agree that client will not seek damages in excess of the limitations indirectly through suits with other parties who may join GES as a third-party defendant. Parties means client and geotechnical engineer and their officers, employees, agents, affiliates, and subcontractors.
SECTION 9: HAZARDOUS MATERIALS: Nothing contained within this agreement shall be construed or interpreted as requiring GES to assume the status of an owner, operator, generator, storer, transporter, creator, or disposal facility as those terms appear within RCRA or within any Federal or State statute or regulation governing the generation, transportation, treatment, storage and disposal of pollutants. Client assumes full responsibility for compliance with the provisions of RCRA and any other Federal or State statute or regulation governing the handling, treatment, storage and disposal of pollutants. It shall be the duty of the owner, the client, or their representative to advise GES of any known or suspected hazardous substances which are or may be related to the services provided; such hazardous substances include but are not limited to products, materials, by-products, wastes or samples of the foregoing which GES may be provided or obtain performing its Work or which hazardous substances exist or may exist on or near any premises upon which work is to be performed by GES employees, agents or subcontractors. If GES observes or suspects the existence of unanticipated hazardous materials during the course of its Work, GES may at its option terminate further work on the project and notify Client of the condition. Work will be resumed only after a renegotiation of scope of services and fees. GES does not create, generate or at any time own or take possession or ownership of or arrange for transport, disposal or treatment of hazardous materials as a result of its Work.

SECTION 10: HAZARDOUS MATERIALS INDEMNITY: The Client acknowledges that GES has neither created nor contributed to the creation or existence of any hazardous, radioactive, toxic, irritant, pollutant, or otherwise dangerous substance or condition at the site. Accordingly, except as expressly provided in this contract, the Client waives any claim against GES and agrees to indemnify and save GES, its agents, and employees harmless from any claim, liability or defense cost, including but not limited to attorney fees and other incidental costs, for injury or loss sustained by any party from such exposures, regardless of whether such exposure was allegedly arising out of or related to GES’s performance of services hereunder.

SECTION 11: TERMINATION: This Agreement may be terminated by either party upon seven (7) days written notice in the event of substantial failure by the other party to perform in accordance with the terms hereof. Such termination shall not be effective if that substantial failure has been remedied before expiration of the period specified in the written notice. In the event of termination, GES shall be paid for services performed to the termination notice date plus reasonable termination expenses. Expenses of termination or suspension shall include all direct costs of GES required to complete analyses and records necessary to complete its files and may also include a report on the services performed to the date of notice of termination or suspension.

SECTION 12: PROVISIONS SEVERABLE: The parties have entered into this agreement in good faith, and it is the specific intent of the parties that the terms of these Terms and Conditions be enforced as written. In the event any of the provisions of these Terms and Conditions should be found to be unenforceable, it shall be stricken and the remaining provisions shall be enforceable.

SECTION 13: ENTIRE AGREEMENT: These Terms and Conditions and GES’s proposal constitute the entire understanding of the parties, and there are no representations, warranties or undertakings made other than as set forth herein. This agreement may be amended, modified or terminated only in writing, signed by each of the parties hereto.

SECTION 14: OWNERSHIP OF DOCUMENTS: All reports, boring logs, field data, field notes, laboratory test data, calculations, estimates, and other documents prepared by GES as instruments of service, shall remain the property of GES unless there are other written agreements to the contrary.

SECTION 15: ASSIGNS: Client may not delegate, assign, subcontract or transfer its duties (including payment) or interest in this agreement without the written consent of GES.

SECTION 16: INDEMNIFICATION: To the fullest extent permitted by applicable law, Client expressly agrees to defend (at Client’s expense and with counsel acceptable to GES), indemnify, and save and hold harmless GES and all of its officers, directors, shareholders, employees, agents, successors, predecessors and assigns, from and against any and all claims, suits, losses, causes of action, damages, liabilities, and expenses of any kind whatsoever, including without limitation, all expenses of litigation and arbitration, court costs, and attorney’s fees, arising on account of or in connection with injuries to or the death of any person whomsoever, claims for damages from any third party, or any and all damages to property (including the loss of use thereof), regardless of possession or ownership, which injuries, death or damages arise from, or are in any manner connected with, or alleged to be connected with, the Client’s property or work being performed on Client’s property by GES or by persons or entities other than GES.

SECTION 17: COSTS AND TENDERING OF INDEMNIFICATION DEFENSE: The indemnities agreed to by Client herein expressly include all costs of litigation, attorney’s fees, settlement costs and reasonable expenses in connection with the litigation or arbitration whether or not the claims made for loss, injury, damage or property damage are valid or groundless, and regardless of whether the defense of GES is maintained by GES or assumed by Client. GES in its sole discretion and at its sole option may defend any or all of the indemnified claims or tender to Client the defense of any or all of the indemnified claims. Upon such tender by GES to Client, Client shall be bound and obligated to assume the defense of GES in the indemnified claims, including the settlement negotiations, and shall pay, liquidate, discharge and satisfy any and all settlements, judgments, awards or expenses resulting from or arising out of the indemnified claims without reimbursement from GES. It is understood and agreed by Client that if GES tenders the defense of an indemnified claim to Client and Client fails or neglects to assume the defense thereof, GES may compromise and settle or defend any such suit or action, and Client shall be bound and obligated to reimburse GES for the amount expended by it in settling or compromising any such claim, or in the amount expended by GES in paying any judgment rendered therein, together with all reasonable attorneys’ fees and cost of litigation incurred by GES by reason of its defense, settlement or compromise of such indemnified claims.

SECTION 18: COLLECTION OF AMOUNTS OWED TO GES: In the event that Client owes any amount to GES, whether under this Agreement or otherwise, Client agrees to GES’s employment of whatever collection methods it deems reasonable and expedient, including but not limited to garnishment (pre and post judgment), sequestration, attachment or any other legal method. Client agrees to waive any and all bond requirements associated therewith. Client agrees to pay all costs of collection, including attorney’s fees.

SECTION 19: NOTICE: All notices required under this Agreement shall be sent via certified mail return receipt requested to the address set forth in the proposal, via facsimile number listed on the proposal or via hand delivery to the office set forth on the proposal. Verbal notification to GES will not satisfy the notice requirements herein. To the extent any notice provision of these Terms and Conditions violates applicable law in that it is too strict or restrictive, the provision shall be automatically modified to the standards mandated by the applicable law and shall not be void.
WASTEWATER CAPACITY RESERVATION APPLICATION

The Utility Analysis Section is responsible for managing water, wastewater, and stormwater flow through the Wastewater Capacity Reservation (WCR) process, which allows the City of Houston to understand the long- and short-term impact on existing infrastructure. A WCR application must be submitted when a property owner proposes a new development that may increase the demand on existing infrastructure. The guidelines for determining capacity, assessing impact fees, and issuing points of connections are located within Chapter 47 of the City of Houston Code of Ordinances and the Impact Fee Service Unit Equivalency Table.

Applications may be submitted online at houstonpermittingcenter.org or in person at the Houston Permitting Center (1002 Washington Ave) — appointments may be scheduled using the Online Queuing Service. All applications must be accompanied with 1) a recorded deed in the owner's name OR an HCAD printout*, 2) a survey, and 3) a site plan for the proposed development.

Upon receipt, the application will be processed via the Low Impact Process or the High Impact Process. The Low Impact Process is reserved for developments that are 15 service units or less with available 8-inch or larger sanitary sewer lines, available 6-inch or larger water lines, and available storm water outfall per City of Houston GIMS. These developments will receive their capacity letters within 48 hours of submittal; impact fees should be paid immediately. The High Impact Process is reserved for proposed developments over 15 service units or where sufficient utilities are not readily available. High-Impact developments will receive their WCR letters within 10 business days.

Stormwater responses will be included on WCR letters for all: a) commercial projects with increased impervious cover; b) residential developments on lots greater than 15,000 sq. ft. and more than 65% of impervious cover; and c) projects located within the 100-year floodplain.

The WCR letter will address points of connection for water, wastewater, and stormwater (as necessary). It will also include all applicable impact fees and sales order. Stormwater drainage fees will be assessed during the permitting phase.

Please direct all questions to (832) 394-8888 or wcrttechs@houstontx.gov.

<table>
<thead>
<tr>
<th>Service Requested</th>
<th>Type of Development</th>
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<tr>
<td>☐ Water</td>
<td>☐ New Construction</td>
</tr>
<tr>
<td>☐ Wastewater</td>
<td>☐ Additional Building</td>
</tr>
<tr>
<td>☐ Stormwater</td>
<td>☐ Tenant Build-Out</td>
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<tr>
<td></td>
<td>☐ Interior Only Remodel</td>
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<table>
<thead>
<tr>
<th>Fee Simple Title Owner Information</th>
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</thead>
<tbody>
<tr>
<td>Name</td>
</tr>
<tr>
<td>Address</td>
</tr>
<tr>
<td>City</td>
</tr>
<tr>
<td>State</td>
</tr>
<tr>
<td>ZIP Code</td>
</tr>
<tr>
<td>Email</td>
</tr>
<tr>
<td>Phone</td>
</tr>
</tbody>
</table>

*An HCAD printout will be accepted in lieu of a deed if the owner information is consistent with the owner information on this application and the property is located within a platted subdivision.

**As the fee simple owner of the property referenced in this application, I hereby authorize the referenced agent on page 2 of this application (if applicable) to submit a WCR application on my behalf. My representative is also authorized to make changes or corrections and may obtain a copy of the WCR letter when available. I understand all impact fees are non-refundable, including but not limited to discovery of prior payment, discovery of past credits not received, cancellation of the building project, and the inability to construct due to deed restrictions, fraud, etc.

Form No: UA-0001  04/20/2017  (832) 394-8888  Public Works & Engineering  Page 1 of 2
**Agent Information**

<table>
<thead>
<tr>
<th>Name</th>
<th>Feeoeha Mohari</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company</td>
<td>BrewerEscalante</td>
</tr>
<tr>
<td>Address</td>
<td>13430 NW Freeway, Suite 350</td>
</tr>
<tr>
<td>City</td>
<td>Houston</td>
</tr>
<tr>
<td>Email</td>
<td><a href="mailto:fmohari@brewer-escalante.com">fmohari@brewer-escalante.com</a></td>
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**Property Information**

<table>
<thead>
<tr>
<th>Property Tax Account Number(s)</th>
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<td>Service Address</td>
<td>0 Regency Square Blvd.</td>
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<tr>
<td>City</td>
<td>Houston</td>
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<tr>
<td>Legal Description</td>
<td>Reserve A &amp; D, Block 2, Regency Square Office Park Section 3</td>
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<tr>
<td>Tract Size (Acres or Sq. Ft.)</td>
<td>1.98 Acres</td>
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**Preferred Point of Connection**

- **Water**: 8" water line @ Dale Carnegie Lane (Onsite)
- **Wastewater**: 10" Sanitary sewer @ Regency Square Blvd.
- **Stormwater**: 30" Storm sewer @ Dale Carnegie Lane (Onsite)

*Please review the Impact Fee Service Unit Equivalency Table and describe the project below.*

**Existing Development**

Vacant

**Development to be Removed**

N/A

**Proposed Development**

Multi-Family (170 Units)

**Storm Drainage Information**

<table>
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<tr>
<th>Improvements</th>
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<th>Area of Final Impervious Cover (Sq. Ft.)</th>
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<td>25,287</td>
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<tr>
<td>Parking Lot</td>
<td>18,866</td>
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<td>Sidewalks</td>
<td>1510</td>
<td>4,185</td>
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<td>Walkways/Patios</td>
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<tr>
<td>Det-Ponds/Pools</td>
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<tr>
<td><strong>Total Areas</strong></td>
<td>20,376</td>
<td>67,326</td>
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Form No: UA-0001 04/20/2017 (832) 394-8888 Public Works & Engineering Page 2 of 2
# CITY OF HOUSTON
Public Works & Engineering Department
Utility Analysis
1002 Washington Ave., Houston, Texas 77002

## Water/Wastewater Impact Fee Receipt

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<tbody>
<tr>
<td>Type</td>
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<th>Address</th>
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<tbody>
<tr>
<td>City</td>
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<thead>
<tr>
<th>Contractor</th>
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<td>Lic. No.</td>
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<table>
<thead>
<tr>
<th>Paid by</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Fesseha Mehari</td>
<td>Lic. No.</td>
<td>Phone</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other</th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Lic. No.</td>
<td>Phone</td>
<td></td>
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**Use**
WATER/WASTE WATER APPLICATION (00020269) REVIEW

Payment method: Credit card ATM
Permit Type: WT Utility Administrative Application Fee

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<tr>
<td>1.0000</td>
<td>55.90</td>
<td>28.50</td>
<td>84.40</td>
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Please note: Impact Fees are not refundable for any reason including, but not limited to, discovery of prior payment or valid WCR letters, discovery of prior existing development for which credit was not given, cancellation of a project for any reason including funding issues, or inability to obtain a building permit, except under extremely limited circumstances as outlined in Chapter 47 Section 322-324 of the City of Houston Code of Ordinances.
February 27, 2018

New Hope Housing
1117 Texas Avenue
Houston, TX 77002

Attention:  Ms. Emily Abeln

Regarding:  RFP for Building Envelope Consulting Services

Project:  New Hope Housing – Dale Carnegie
Houston, TX.

Dear Ms. Abeln:

Please accept this proposal as our response to New Hope Housing’s Request for Pricing & Building Envelope Consulting Services. Building Engineering-Consultants, Inc. (BE-CI) has prepared the following information related to performing building envelope consulting services associated with the design and construction of the New Hope Housing Dale Carnegie project that is located in Houston, TX.

BE-CI specializes in consulting for the entire building envelope and items related to waterproofing, as well as, assisting Clients with a variety of services for maintaining their buildings. Over the past 25 years, BE-CI has provided hundreds of exterior condition surveys, design peer reviews, forensic investigations, design restoration documents, quality assurance inspections and contract administration services for our Clients. We currently have eight (8) offices; Destin, FL (Corporate Office), Pensacola, FL., Tampa, FL., Dallas, TX, Houston, TX, Austin, TX, Mobile, AL. and Atlanta, GA. Our mission is to provide our Clients with professional building envelope consulting services that meet their expectations and by delivering services designed to fit their needs.

With regard to our previous experiences for the requested services, BE-CI is a licensed building envelope/engineering consulting firm. From the beginning, BE-CI has consistently worked directly for Owners, Contractors, Developers and Design Professionals on commercial, industrial, institutional, healthcare, multi-residential and historical properties, as an independent 3rd party consultant.

Mr. Joseph Ferrell, PE (Principal Engineer) will be BE-CI’s primary representative for our services on this project and additional under staffing will be provided at his discretion and work directly under his supervision. Mr. Ferrell is a graduate of Texas A & M University and a registered Texas Professional Engineer. He is also a professional member of RCI, Inc. and has previously served as a Board Member for RCI, Inc. in the Houston area. Mr. Ferrell works out of our Houston, TX office and oversees a collective staff of ten (10) degreed engineers, accredited waterproofing consultants and administrative personnel.

As a firm, BE-CI has developed and overseen hundreds of millions of dollars of exterior design and construction work and are routinely called upon to assist in design peer reviews, testing, reporting, document production and quality assurance site observations. We also do not have any intention of hiring any sub-consultants to assist us with the proposed services.
Should **BE-CI** be selected as the consultant for this project and immediately upon receipt of an executed contract or Notice to Proceed, **BE-CI** will provide the Client with all applicable insurance certificates and include New Hope Housing as a certificate holder. With regard to the delivery of our services and insight into how we plan on addressing the specific requests for this project, **BE-CI** intends on providing requested documentation and information directly to the Client electronically and anyone else they deem necessary. The actual time to complete all our services would logically depend on the Client’s requests and the overall construction schedule. However, it is our goal and absolute desire to stay on schedule at all times. Internally, **BE-CI** has weekly scheduling meetings with our respective staff members, to ensure all employees are adequately scheduled and in line with our Client’s expectations.

In closing, we truly appreciate this opportunity and should you have any questions concerning the information contained within this proposal package, please contact our office.

Respectfully Submitted,
BUILDING ENGINEERING-CONSULTANTS, INC.

**Jimmy Fell**

Jimmy Fell, CSI, CDT  
Vice President – Business Development

Attachments:  
BE-CI Proposal for Professional Services
I. CONTRACT FOR PROFESSIONAL SERVICES
(Contract between Client and Consultant)

OWNER (CLIENT)

Client: New Hope Housing

Date: February 27, 2018

Contact Name: Emily Abeln

Telephone: (713) 222-7770

Address: 1117 Texas Ave.
Houston, TX 77002

Email: Emily@newhopehousing.com

Project: New Hope Housing – Dale Carnegie

Location: Houston, Texas

Job Description: Roofing and Waterproofing Design Peer Review, Quality Assurance Construction Observations, Submittal Review & Water Testing

Thank you for considering Building Engineering-Consultants, Inc. (BE-CI) (Consultant) for your building envelope consulting services. Based on our previous conversation and understanding of what you want to accomplish, we have prepared this Contract for your review and consideration.

- As detailed in Section II of this Proposal, BE-CI will perform a Design Peer Review of the design and construction documents (plans and specifications) and provide our comments and opinions on the proposed roofing, waterproofing, and building envelope design described in the construction documents.

- As detailed in Section II of this Proposal, BE-CI will perform periodic Quality Assurance Construction Observations and document the observations in written reports as outlined in this Proposal. These services will be performed when requested for work in progress at the subject project.

- As detailed in Section II of this Proposal, BE-CI proposes to perform peer reviews of the submittals related to Balcony Waterproofing, Roofing, and/or the Weather Resistant Barrier and Flashing Tape. Each submittal review will include an initial review and a brief re-review after changes have been made.

- As detailed in Section II of this Proposal, BE-CI will perform standardized water intrusion resistance testing of the installed window assemblies at the subject project, at mock up and during construction.

The Proposed Services outlined in this Proposal shall be performed in general accordance with the provisions of Section III, Qualifications, and Section IV, Terms.

- BE-CI proposes to perform a Design Peer Review of the construction documents (drawings and specifications) related to the building envelope and as outlined in Section II of this proposal for a lump sum fee of Four Thousand Dollars and 00/100 ($4,000.00), plus all reimbursable expenses.

- At the request of the Client, BE-CI will perform periodic building envelope, waterproofing, flashing and roofing Quality Assurance Construction Observation site visits and prepare a written report at the rate of One Thousand Two Hundred Fifty Dollars and 00/100 ($1,250.00) per site visit, plus expenses.

- Submittal reviews will be performed on an Hourly basis and a Not-to-Exceed total fee of Three Thousand Dollars and 00/100 and 00/100 ($3,000.00), plus expenses.
BE-CI proposes to perform standardized water intrusion resistance testing of the mock up Storefront Window on the project based on the fee of One Thousand Three Hundred Fifty Dollars and 00/100 ($1,350.00), which is inclusive of expenses. This fee is an additional charge and will be charged in conjunction with a mock-up site visit. One report including mock-up observations and water testing will be included with this and the site visit fee.

BE-CI proposes to perform Standardized Water Infiltration Testing of the mock up and during construction of the project, as outlined in Section II of this proposal, based on the fee of Five Thousand Dollars and 00/100 ($5,000.00) per mobilization, plus reimbursable expenses for the first day of testing. Each consecutive day after mobilization for testing, if necessary, will be billed hourly plus reimbursable expenses.

For our records, we ask that a corporate officer or an authorized representative for the Client sign and return this Contract as your acceptance of this agreement. We also ask that you initial each page indicating that you have reviewed all our proposed services, qualifications, and terms of this contract as well as any attachments. If you have any questions or wish to discuss any of the proposed services, please contact our Houston office at (713) 970-1718.

II. PROPOSED SERVICES

2.0 PROPOSED SERVICES

2.1 DESIGN PEER REVIEW

2.1.1 BE-CI will review the Architectural Drawings and Specifications (Construction Documents) that pertain to the exterior building envelope of the project.

2.1.1.1 BE-CI will review proposed Construction Documents and provide written comments regarding control of water penetration, control of water vapor accumulation and condensation, building air leakage and other issues related to the building envelope. Our review will address design concepts, design criteria, compliance with codes, and compliance with generally accepted local industry standards, constructability, and compliance with our client’s performance requirements, if any, for this project. Our written review will include recommendations related to the Construction Documents and building envelope design.

2.1.1.2 Please Note: The building envelope DPR does not include any type of structural analysis, calculations or WUFI analysis.

2.1.2 After completing the DPR, BE-CI will participate in a 1-hour teleconference review meeting with the Client to go over the review comments, answer questions, provide additional input, and discuss BE-CI’s recommendations.

2.2 QUALITY ASSURANCE CONSTRUCTION OBSERVATIONS

2.2.1 BE-CI will visit the site to conduct periodic Quality Assurance Construction Observations on an “on-call” basis. We request one week prior notice to schedule each site visit. During our site visits, we will document the existing and on-going construction conditions specific to roofing and waterproofing components of the project. While on site we will note the construction materials used and document the materials’ conformance with project specifications. BE-CI personnel will observe on-going roofing/waterproofing system installation and compare the work with the
project’s approved Construction (restoration) Documents for conformance with the project drawings and specifications, manufacturer’s published details and available product/system literature, and generally accepted roofing/waterproofing practices. BE-CI will document non-conforming items and leave a copy of our field notes at the construction office for the Client’s use until our written report is issued.

2.2.2 A written report of our findings and observations, including photographs, will be provided following each site visit. Roofing and waterproofing observation reports will be reviewed by BE-CI’s roofing and waterproofing professionals and delivered electronically to all recipients designated by the Client.

2.3 SUBMITTAL & SHOP DRAWING REVIEWS

2.3.1 At the request of the Client, BE-CI will perform reviews of submittals including comments on products, red line drawings, and provide opinions on the systems submitted and their compliance with the construction documents. After our initial review of the documents we will perform a brief re-review of the resubmission, if necessary, to determine if all comments have been addressed.

2.4 STANDARDIZED WATER TESTING

2.4.1 Recommendation for Chamber Testing of Flanged Windows: For negative pressure testing, BE-CI will arrive at the site the day before the agreed date of testing to set up for testing and build the testing chamber. On test day BE-CI will perform field water penetration resistance tests in accordance with ASTM E1105 on as many windows as possible. Tests shall be conducted by extracting air from the chamber at the rate required to maintain the stipulated static air pressure difference across the assembly while simultaneously spraying water onto the exterior face of the test specimen and monitoring the specimen for evidence of water penetration. According to ASTM E1105 requirements, no uncontrolled water shall pass the innermost plane of the test specimen or enter the wall cavity during testing. If a test fails and at the request of the client, BE-CI will remove the chamber and perform an investigation to determine the cause of the failure. BE-CI will make recommendations to remediate the source of the test failure and if requested by the client will retest the specimen when the remedial work has been completed and is ready for retesting.

2.4.2 Storefront Water Testing: For nozzle water testing BE-CI will arrive at the job site the morning of the testing and perform standardized nozzle water testing in general accordance with the requirements of AAMA 501.2. We will test as many assemblies as possible during the test day.

2.4.3 The results of all field-testing and analysis will be presented in a written report which will include observations, test results, evaluation of field data, and recommendations appropriate to the test results and conditions observed.
III. QUALIFICATIONS and IV. TERMS

3.0 QUALIFICATIONS

3.1 All proposed services of work not specifically described herein are hereby not included within this contract agreement, unless otherwise agreed to in writing by both parties. Hourly costs for On Site Services will be based half hour increments. Any estimated hourly costs are not guaranteed; final hourly costs will be based on actual time spent and expenses incurred.

3.2 As a firm we have extensive experience with construction items related to the building envelope. However, we do not profess to hold any professional qualifications outside these areas. Therefore, any additional items outside our area of work will be addressed on an as requested basis. Upon request, BE-CI shall engage outside consultants who maintain an expertise in the subjects requested. Their findings may be referenced in our reports, and their reports may be appended to our report. The costs for such services are not included within the fee or budget estimate quoted in this proposal, and the costs for such services, if known, may be shown in this proposal as optional pricing.

3.3 It is not the intent of this proposal to offer services that will check original design calculations or strategies related to structural loads or wind pressures acting on the windows and doors that are selected for testing by the project’s Architect. Client acknowledges that BE-CI is relying solely on the project’s Structural Engineer and Architect of Record for such loads and pressures.

3.4 The Client, at no charge to BE-CI, shall provide a full set of project specifications, drawings, and submittals for the construction of the building.

3.6 This proposal does not include any cost related to laboratory testing and/or destructive investigation which may become necessary during the investigation of problems at this project. In the event that we recommend such services, estimates of the anticipated costs for these items will be provided to you to obtain your approval and written authorization to proceed. These costs shall be fully reimbursable plus a fifteen percent (15%) administration fee, based upon proper documentation.

3.7 BE-CI is providing a service, not a product. All calculations, reports, photographs, drawings, and other documents produced or obtained by BE-CI are Instruments of Service and remain the property of BE-CI. Documents and reports are provided to the Client for use on this project only and may not be reused on other projects or distributed to other Consultants without written permission from BE-CI.

3.8 By acceptance of this proposal, it is agreed that BE-CI will not be held responsible for any physical damages resulting from, or caused by, the specified field-testing. The Client shall be responsible for the replacement and/or repair of any areas affected in the performance of the proposed testing.

3.9 To the fullest extent permitted by law, the total liability in the aggregate, of Consultant and Consultant’s officers, directors, employees, agents, and independent professional associates, and any of them, to Owner and any one claiming by, through or under Owner, for any and all injuries, claims, losses, expenses, or damages whatsoever arising out of or in any way related to Consultant’s services, the project, or this Agreement, from any cause or causes whatsoever, including but not limited to, the negligence, errors, omissions, strict liability, breach of contract, misrepresentation, or breach of warranty of Consultant or Consultant’s officers, directors, employees, agents or independent professional associates, or any of them, shall not exceed the total compensation received by Consultant under this Agreement. The Agreement cost is predicated on this limitation of liability.

3.10 In the event of any litigation arising from or related to this Agreement or the services provided under this agreement, the prevailing party shall be entitled to recover from the non-
prevailing party all reasonable costs incurred, including staff time, court costs, attorney’s fees and all other related expenses in such litigation.

3.11 Prices quoted within this proposal shall remain firm for thirty (30) days from the date of this proposal. BE-CI can proceed with our services within thirty (30) days of receiving an executed copy of this proposal and retainer fee.

3.12 Time associated with attendance at meetings and additional reporting not quoted within this proposal and will be charged as additional services according to our Corporate Fee Schedule.

3.13 An electronic copy of all reports will be transmitted to the Client, as well as others designated by the Client, after the completion of the particular scope of work. If requested, one printed copy of the final report will be mailed to the Client for each phase of work. Any additional printed copies requested will be invoiced as an additional service and expense, including a 15% administrative fee.

3.14 The Client shall provide all necessary swing stages, lifts and scaffolds required to set up and perform the proposed testing and site observations, at no charge to BE-CI. The Client shall provide a domestic water supply with garden hose connection and 110/120 volt, 30 amp electric service within 100 feet of each test site at no cost to BE-CI for all testing required. Client agrees to provide unencumbered access to the building and necessary swing stages during the setup and performance of the testing. Time lost due to lack of building or swing stage access can result in delays and additional testing days may be required and will be billed in accordance with this proposal.

4.0 TERMS

4.1 A fully executed copy of this proposal or a purchase order incorporating the terms of this proposal will be required prior to scheduling services. A signature block has been provided for this purpose, and, if this proposal includes more than one area of service, space has been provided to indicate those portions of this proposal to be accepted and incorporated into the agreement between BE-CI and the Client.

4.2 Invoicing shall be submitted on a monthly basis corresponding to the hours worked and expenses incurred. All invoices shall be due upon receipt. Invoices that are unpaid after thirty (30) days from the invoice date are subject to an interest charge at the rate of one and one-half percent (1½%) per month, plus related attorney’s fees and collection expenses. Exceptions in this invoicing policy will not be made for any type of unforeseen event including, flood, hurricane, economic crisis, or act of God.

4.3 Either party may terminate this agreement, with cause, upon written receipt of seven (7) days’ notice. In the event of termination, BE-CI shall be paid compensation for services performed prior to the termination date, including all reimbursable expenses. In the event that compensation is, at any time, more than sixty (60) days past due, BE-CI has the right to suspend or terminate all services without prior written notice.

END OF QUALIFICATIONS AND TERMS
CONTRACT SIGNATURE PAGE

PROJECT NAME: NEW HOPE HOUSING - DALE CARNEGIE (HOUSTON, TX)

BUILDING ENGINEERING-CONSULTANTS, INC: In addition to the acceptance of this Contract, I also certify that original copies of this signature page will be attached to all other exact copies of this contract.

Signature: Jimmy Fell

Print Name: Jimmy Fell
Date: February 27, 2018
Title: Vice President of Business Development

OWNER/AUTHORIZED REPRESENTATIVE: In addition to acceptance of this Contract, I certify that all information provided to BE-CI is complete, true, and accurate.

Please initial services selected for inclusion in this agreement:

- [X] Design Peer Review
- [X] QA/QC Observations
- [X] Submittal Review
- [X] Storefront Water Testing
- [X] Flanged Window Water Testing

By: ____________________________________
Name: Emily Abeln
Title: VP, Real Estate Development

INVOICING TO BE DIRECTED TO:

Company Name: New Hope Housing, Inc.
Address: 117 Texas Avenue
Address: Houston, TX 77002
Attention: Accounting Department

Invoice Delivery Method (Select one Method):

- [X] E-mail (Address accounting@newhopehousing.com)
- [ ] US Mail
- [ ] Facsimile (Number

*The Proposed Services, Qualifications and Terms contained this Contract, as well as any Attachments listed, shall become part of this Agreement. Both parties, to confirm agreement of any such change or revision, must initial any and all changes.*
## Engineering Services:

<table>
<thead>
<tr>
<th>Position</th>
<th>Hourly Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principal Engineer</td>
<td>$225.00/Hr.</td>
</tr>
<tr>
<td>Senior Project Engineer</td>
<td>$150.00/Hr.</td>
</tr>
<tr>
<td>Project Engineer</td>
<td>$125.00/Hr.</td>
</tr>
<tr>
<td>Engineer Associate</td>
<td>$100.00/Hr.</td>
</tr>
</tbody>
</table>

## Project Manager Services:

<table>
<thead>
<tr>
<th>Position</th>
<th>Hourly Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principal Project Manager</td>
<td>$225.00/Hr.</td>
</tr>
<tr>
<td>Senior Project Manager</td>
<td>$150.00/Hr.</td>
</tr>
<tr>
<td>Project Manager</td>
<td>$125.00/Hr.</td>
</tr>
<tr>
<td>Project Manager Associate</td>
<td>$100.00/Hr.</td>
</tr>
</tbody>
</table>

## Architectural Services:

<table>
<thead>
<tr>
<th>Position</th>
<th>Hourly Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principal Architect</td>
<td>$225.00/Hr.</td>
</tr>
<tr>
<td>Senior Project Architect</td>
<td>$150.00/Hr.</td>
</tr>
<tr>
<td>Project Architect</td>
<td>$125.00/Hr.</td>
</tr>
<tr>
<td>Architect Associate</td>
<td>$100.00/Hr.</td>
</tr>
<tr>
<td>Drafting</td>
<td>$ 90.00/Hr.</td>
</tr>
</tbody>
</table>

## Other Services:

<table>
<thead>
<tr>
<th>Position</th>
<th>Hourly Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative Assistant</td>
<td>$ 60.00/Hr.</td>
</tr>
<tr>
<td>Sub-Consultants &amp; General Labor</td>
<td>Cost + 20%</td>
</tr>
</tbody>
</table>

The above schedule of fees are applicable for time expended during preparation, portal-to-portal travel, on-site, teleconferences, research, attendance at meetings and report preparation. Expert Witness services will be charged at 1.5 times the applicable scheduled fees, plus reimbursable expenses. Any services provided on weekends, holidays and/or requests with less than 2-day advanced notice will be subject to Overtime Rates (1.5 times the applicable scheduled fees).

### Reimbursable Expenses:

BE-CI will coordinate and provide any field supplies and equipment necessary to perform the proposed services. Rental equipment, airfare, lodging, meals, supplies, car rentals, mileage, and meals are reimbursable expenses. Mileage will be charged from BE-CI office to and from the project. Travel in private or company owned vehicles would be charged at the prevailing rate established by the IRS ([www.IRS.gov](http://www.IRS.gov)). Reimbursable expenses will be based on actual costs plus a 15% Administrative Fee.

### Invoicing:

Invoicing will be submitted on a monthly basis and payable within thirty (30) days of the invoice date. Overdue invoices are subject to 1.5% Interest per month, plus any customary and reasonable Attorney’s Fees and Collection Costs. Payments shall be delivered to:

**Building Engineering-Consultants, Inc. (BE-CI)**
PO Box 5799
Destin, Florida 32540
To: Whom It May Concern

From: Patrick Walsh, P.E., Director
Planning and Development Department

Effective Date: January 1, 2018

The City of Houston does not have a zoning ordinance. This is the city of Houston’s no zoning letter applicable to any property inside the city of Houston. This does not address any separately filed restrictions that may be applicable to the property. You may use this letter to present to your lender. This letter will be updated on January 1, 2019.

All applicable development regulations and subdivisions laws can be obtained through a review of the City Code of Ordinances, which is located on the City of Houston internet site accessed through www.houstonplanning.com or www.houstontx.gov/planning.
AGREEMENT made as of the ___ day of _______________ in the year Two Thousand Eighteen (2018)
(In words, indicate day, month and year.)

BETWEEN the Owner:
(Name, legal status, address and other information)

Dale Carnegie SRO, Ltd.,
a Texas limited partnership
1117 Texas Avenue
Houston, Texas 77002

and the Contractor:
(Name, legal status, address and other information)

Houston Area Community Development Corporation,
a Texas nonprofit corporation
1117 Texas Avenue
Houston, Texas 77002

for the following Project:
(Name, location and detailed description)

New Hope Dale Carnegie Project to be located at the southeast corner of Dale Carnegie Lane and Regency Square Boulevard in Houston, Texas, 77036 consisting of 170 SRO units, 1.979 acre site. All parking on the project will be surface.

The Architect:
(Name, legal status, address and other information)

Glassman Shoemake Maldonado Architects (d/b/a GSMA)
5305 Jackson Street
Houston, Texas 77004
Designated Representative: Ernesto Maldonado

The Prime Subcontractor is:

Camden Builders, Inc.
11 Greenway Plaza, Suite 2400
Houston, Texas 77046

The Owner and Contractor agree as follows.
TABLE OF ARTICLES

1 THE CONTRACT DOCUMENTS
2 THE WORK OF THIS CONTRACT
3 RELATIONSHIP OF THE PARTIES
4 DATE OF COMMENCEMENT AND SUBSTANTIAL COMPLETION
5 CONTRACT SUM
6 CHANGES IN THE WORK
7 COSTS TO BE REIMBURSED
8 COSTS NOT TO BE REIMBURSED
9 DISCOUNTS, REBATES AND REFUNDS
10 SUBCONTRACTS AND OTHER AGREEMENTS
11 ACCOUNTING RECORDS
12 PAYMENTS
13 DISPUTE RESOLUTION
14 TERMINATION OR SUSPENSION
15 MISCELLANEOUS PROVISIONS
16 ENUMERATION OF CONTRACT DOCUMENTS
17 INSURANCE AND BONDS

ARTICLE 1 THE CONTRACT DOCUMENTS

§ 1.1 The Contract Documents consist of this Agreement, Conditions of the Contract (General, Supplementary and other Conditions), Drawings, Specifications, Addenda issued prior to execution of this Agreement, other documents listed in this Agreement and Modifications issued after execution of this Agreement, all of which form the Contract, and are as fully a part of the Contract as if attached to this Agreement or repeated herein. The Contract represents the entire and integrated agreement between the parties hereto and supersedes prior negotiations, representations or agreements, either written or oral. An enumeration of the Contract Documents, other than a Modification, appears in Article 16. If anything in the other Contract Documents, other than a Modification, is inconsistent with this Agreement, this Agreement shall govern.

§ 1.2 If, and to the extent of, any inconsistency, ambiguity, or discrepancy in the Contract Documents, precedence shall be given to the Contract Documents in the following order of priority:

1. written Modifications issued after execution of this Agreement (including the GMP Amendment and any Change Orders);
2. this Agreement, including the exhibits attached hereto and incorporated fully herein;
3. the General Conditions (A201 as modified by the parties);
(4) the Drawings; and

(5) the Specifications (subject to Contractor’s obligations under Section 3.2.2 of the General Conditions).

Without limiting the foregoing, the terms in the List of Clarifications and Assumptions to the GMP (including any such List included in the GMP Amendment) and allowances (including any allowances included in the GMP Amendment) shall control over any inconsistent terms of the Agreement; and the terms of the Agreement (including the Exhibits) and the General Conditions shall control over any terms in the Drawings or Specifications inconsistent therewith.

ARTICLE 2 THE WORK OF THIS CONTRACT
The Contractor shall fully execute the Work described in the Contract Documents, except as specifically indicated in the Contract Documents to be the responsibility of others. To the extent that the Owner requires any incidental services, construction consulting, or value engineering, the Owner acknowledges that such services are advisory and are not professional design services. The Owner will, with due diligence, refer such questions, matters, and inquiries to the Design Professionals, and the Contractor shall have no liability to the Owner or the Architect or its consultants for such services requested by Owner and rendered hereunder.

ARTICLE 3 RELATIONSHIP OF THE PARTIES
The parties accept the mutual relationship of trust and confidence established by this Agreement and Contractor covenants with the Owner to cooperate with the Architect and exercise the Contractor’s skill and judgment in furthering the interests of the Owner; to furnish efficient business administration and supervision; to furnish all times an adequate supply of workers and materials; and to perform the Work in an expeditious and economical manner consistent with the Owner’s interests. The Owner agrees to furnish and approve, in a timely manner, information required by the Contractor and to make payments to the Contractor in accordance with the requirements of the Contract Documents.

ARTICLE 4 DATE OF COMMENCEMENT AND SUBSTANTIAL COMPLETION
§ 4.1 The date of commencement of the Work shall be the later of (a) one business day following the receipt of all applicable building permits and a fully executed GMP Amendment to this Agreement or (b) the date to be fixed in a notice to proceed issued by the Owner and agreed by the Contractor.

If the date of commencement of the Work does not occur within thirty (30) days after the date of the execution of the GMP Amendment, through no fault of the Contractor, the Contract Sum and Contract Time shall be equitably adjusted. If the date of commencement of the Work or the GMP Amendment is not entered into prior to December 15, 2018, this Agreement may be terminated by either party upon thirty days’ written notice to the other party.

§ 4.2 The Contract Time shall be measured from the date of commencement and shall proceed in accordance with the Schedule of the Work incorporated into the GMP Amendment, subject to adjustments of this Contract Time as provided in the Contract Documents. A preliminary Schedule of the Work is as attached hereto as Exhibit A-1 and incorporated fully herein.

§ 4.3 The Contractor shall achieve Substantial Completion of the entire Work not later than twenty-two months from the date of commencement, subject to confirmation in the GMP Amendment and adjustments of this Contract Time as provided in the Contract Documents.

§ 4.4 In the event the Contractor does not achieve Substantial Completion within the Contract Time as provided in Section 4.3 above and confirmed in the GMP Amendment, including extensions to which Contractor is entitled, the Contractor shall pay the Owner, as liquidated damages and not as a penalty and in lieu of all delay damages incurred by the Owner arising from such delay, the amount in Exhibit A-2 to the extent the actual time of performance
exceeds the authorized Contract Time, provided, however, those liquidated damages shall be paid by Prime Subcontractor to the extent Prime Subcontractor is responsible for such delay.

**ARTICLE 5 CONTRACT SUM**

§ 5.1 The Owner shall pay the Contractor (subject to the requirements under Article 5 below for the Owner to pay the Prime Subcontractor directly) the Contract Sum in current funds for the Contractor’s performance of the Contract. The Contract Sum is the Cost of the Work as defined in Article 7 plus the Contractor’s Fee.

§ 5.1.1 The Contractor’s Fee:
*(State a lump sum, percentage of Cost of the Work or other provision for determining the Contractor’s Fee.)*

Six percent (6%) of the Cost of the Work.

§ 5.1.2 The method of adjustment of the Contractor’s Fee for changes in the Work:

For increases in the GMP, the Contractor’s Fee shall increase in the percentage provided in Section 5.1.1 above.

§ 5.1.3 Limitations, if any, on Prime Subcontractor’s overhead and profit for increases in the cost of its portion of the Work:

6.0% of the Cost of the Work for Fee; 6% of the Cost of the Work for Prime Subcontractor’s Reimbursable General Conditions Costs; and 2.0% of the Cost of the Work for the Prime Subcontractor’s Reimbursable Overhead.

§ 5.1.4 Rental rates for Contractor-owned equipment shall not exceed the standard rate paid at the place of the Project.

§ 5.1.5 Unit prices, if any:
*(Identify and state the unit price; state the quantity limitations, if any, to which the unit price will be applicable.)*

<table>
<thead>
<tr>
<th>Item</th>
<th>Units and Limitations</th>
<th>Price Per Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>See List of Clarifications and Assumptions to GMP and Allowances attached hereto as Exhibit B.</td>
<td></td>
</tr>
</tbody>
</table>

§ 5.2 GUARANTEED MAXIMUM PRICE

§ 5.2.1 The Contract Sum is guaranteed by the Contractor not to exceed the Guaranteed Maximum Price of Seventeen Million, Four Hundred Nineteen Thousand, Nine Hundred Sixty Nine and no/100 Dollars ($17,419,969.00) as confirmed in the GMP Amendment, subject to additions and deductions by Change Order as provided in the Contract Documents and subject to such qualifications, clarifications, and assumptions as set forth in the List of Clarifications and Assumptions to GMP and Allowances attached hereto as Exhibit B and any such List attached to and incorporated into the GMP Amendment. Such maximum sum is referred to in the Contract Documents as the Guaranteed Maximum Price. Costs which would cause the Guaranteed Maximum Price to be exceeded shall be paid by the Contractor without reimbursement by the Owner.

§ 5.2.2 The Guaranteed Maximum Price is based on the following alternates, if any, which are described in the Contract Documents and are hereby accepted by the Owner:

See List of Clarifications and Assumptions to GMP and Allowances attached hereto as Exhibit B.

§ 5.2.3 Allowances included in the Guaranteed Maximum Price, if any:
*(Identify allowance and state exclusions, if any, from the allowance price.)*

<table>
<thead>
<tr>
<th>Item</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>See List of Clarifications and Assumptions to GMP and Allowances attached hereto as Exhibit B.</td>
</tr>
</tbody>
</table>
§ 5.2.4 Assumptions, if any, on which the Guaranteed Minimum Price is based: See List of Clarifications and Assumptions to GMP and Allowances attached hereto as Exhibit B.

§ 5.2.5 [Intentionally omitted.]

§ 5.2.6 [Intentionally omitted.]

§ 5.2.7 In the event that the Contractor is required to pay or bear the burden of any new Federal, State of Local tax, or of any rate increase of an existing tax (except a tax on net profits), as a result of any statute, court decision, written ruling, or regulation taking effect after the contract date, the Guaranteed Maximum Price shall be increased by the amount of the new tax or tax increase.

ARTICLE 6 CHANGES IN THE WORK
§ 6.1 Adjustments to the Guaranteed Maximum Price on account of changes in the Work may be determined by any of the methods listed in Section 7.3.3 of AIA Document A201–2007, General Conditions of the Contract for Construction.

§ 6.2 In calculating adjustments to subcontracts (except those awarded with the Owner’s prior consent on the basis of cost plus a fee), the terms "cost" and "fee" as used in Section 7.3.3.3 of AIA Document A201–2007 and the term "costs" as used in Section 7.3.7 of AIA Document A201–2007 shall have the meanings assigned to them in AIA Document A201–2007 and shall not be modified by Articles 5, 7 and 8 of this Agreement. Adjustments to subcontracts awarded with the Owner’s prior consent on the basis of cost plus a fee shall be calculated in accordance with the terms of those subcontracts.

§ 6.3 In calculating adjustments to the Guaranteed Maximum Price, the terms "cost" and "costs" as used in the above-referenced provisions of AIA Document A201–2007 shall mean the Cost of the Work as defined in Article 7 of this Agreement and the term "fee" shall mean the Contractor’s Fee as defined in Section 5.1.1 of this Agreement.

§ 6.4 If no specific provision is made in Article 5 for adjustment of the Contractor’s Fee in the case of changes in the Work, or if the extent of such changes is such, in the aggregate, that application of the adjustment provisions of Article 5 will cause substantial inequity to the Owner or Contractor, the Contractor’s Fee shall be equitably adjusted on the same basis that was used to establish the Fee for the original Work, and the Guaranteed Maximum Price shall be adjusted accordingly.

ARTICLE 7 COSTS TO BE REIMBURSED
§ 7.1 COST OF THE WORK
§ 7.1.1 The term Cost of the Work shall mean costs necessarily incurred by the Contractor through its Prime Subcontractor in the proper performance of the Work. Such costs shall be at rates not higher than the standard paid at the place of the Project except with prior consent of the Owner. The Cost of the Work shall include only the items set forth in this Article 7.

§ 7.1.2 Where any Cost is subject to the Owner’s prior approval, the Contractor shall obtain this approval prior to incurring such Cost.

§ 7.2 LABOR COSTS
§ 7.2.1 Wages of construction workers (plus a labor burden of 40% of such wages to cover all benefits, insurance and taxes on such wages) directly employed by the Contractor through its Prime Subcontractor to perform the construction of the Work at the site or, with the Owner’s prior approval, at off-site workshops, to the extent Prime Subcontractor is authorized in advance by Owner in writing to "self-perform" Work. Contractor and Prime Subcontractor shall not employ workers for the performance of the Work of the Contract or otherwise "self-perform" any Work of the Contract (other than the administrative and supervisory services required of Contractor and Prime Subcontractor hereunder) unless at least two competitive bids are obtained (in accordance with the bidding requirements of Article 5 of the General Conditions) and delivered to Owner and Owner has approved, in advance, the right of the Contractor or the Prime Subcontractor to self perform such Work.
§ 7.2.2 Wages and salaries (including benefits, insurance and taxes on such wages or salaries) of Prime Subcontractor’s supervisory and administrative personnel performing services relating to the Work onsite shall be reimbursable as Prime Subcontractor’s Reimbursable General Conditions Costs pursuant to Section 7.8 below.

§ 7.2.3 Wages and salaries (including benefits, insurance and taxes on such wages or salaries) of Prime Subcontractor’s supervisory or administrative personnel performing services relating to the Work offsite shall be reimbursable as Prime Subcontractor’s Reimbursable Overhead pursuant to Section 7.8 below (and subject to such overhead cap).

§ 7.2.4 [Intentionally deleted – see Section 7.2.1 – 7.2.3 above.]

§ 7.2.5 [Intentionally deleted – see Section 7.2.1 – 7.2.3 above.]

§ 7.2.6 All rates and benefits mark-up as set forth in this Section 7.2 above are not subject to audit or cost verification but shall be reimbursed pursuant to Sections 7.8 and 12.1.6 below.

§ 7.3 SUBCONTRACT COSTS
Payments made by the Prime Subcontractor to its Subcontractors in accordance with the requirements of the subcontracts which are entered into in compliance with the subcontractor selection requirements of this Agreement and Article 5 of the General Conditions.

§ 7.4 COSTS OF MATERIALS AND EQUIPMENT INCORPORATED IN THE COMPLETED CONSTRUCTION
§ 7.4.1 Costs, including transportation and storage, of materials and equipment incorporated or to be incorporated in the completed construction.

§ 7.4.2 Costs of materials described in the preceding Section 7.4.1 in excess of those actually installed to allow for reasonable waste and spoilage. Unused excess materials, if any, shall become the Owner’s property at the completion of the Work or, at the Owner’s option, shall be sold by the Contractor. Any amounts realized from such sales shall be credited to the Owner as a deduction from the Cost of the Work.

§ 7.5 COSTS OF OTHER MATERIALS AND EQUIPMENT, TEMPORARY FACILITIES AND RELATED ITEMS
§ 7.5.1 Costs of transportation, storage, installation, maintenance, dismantling and removal of materials, supplies, temporary facilities, machinery, equipment and hand tools not customarily owned by construction workers that are provided by the Contractor through its Prime Subcontractor at the site and fully consumed in the performance of the Work. Costs of materials, supplies, temporary facilities, machinery, equipment and tools that are not fully consumed shall be based on the cost or value of the item at the time it is first used on the Project site less the value of the item when it is no longer used at the Project site. Costs for items not fully consumed by the Contractor or its Prime Subcontractor shall mean fair market value.

§ 7.5.2 Rental charges for temporary facilities, machinery, equipment and hand tools not customarily owned by construction workers that are provided by the Contractor through its Prime Subcontractor at the site and costs of transportation, installation, minor repairs, dismantling and removal. The total rental cost of any Contractor or Prime Subcontractor-owned item may not exceed the purchase price of any comparable item. Rates of Contractor or Prime Subcontractor -owned equipment and quantities of equipment shall be charged at current market rates.

§ 7.5.3 Costs of removal of debris from the site of the Work and its proper and legal disposal.

§ 7.5.4 Costs of document reproductions, facsimile transmissions and long-distance telephone calls, postage and parcel delivery charges, telephone service at the site and reasonable petty cash expenses of the site office.

§ 7.5.5 Costs of materials and equipment suitably stored off the site at a mutually acceptable location, subject to the Owner’s prior approval.

§ 7.6 MISCELLANEOUS COSTS
§ 7.6.1 Premiums for that portion of insurance and bonds required by the Contract Documents that can be directly attributed to this Contract. Self-insurance for either full or partial amounts of the coverages required by the Contract Documents, with the Owner’s prior approval.
§ 7.6.2 Sales, use or similar taxes imposed by a governmental authority that are related to the Work and for which the Contractor is liable.

§ 7.6.3 Fees and assessments for the building permit and for other permits, licenses and inspections for which the Contractor or its Prime Subcontractor are required by the Contract Documents to pay.

§ 7.6.4 Fees of laboratories for tests required by the Contract Documents, except those related to defective or nonconforming Work for which reimbursement is excluded by Section 13.5.3 of AIA Document A201–2007 or by other provisions of the Contract Documents, and which do not fall within the scope of Section 7.7.3.

§ 7.6.5 Royalties and license fees paid for the use of a particular design, process or product required by the Contract Documents; the cost of defending suits or claims for infringement of patent rights arising from such requirement of the Contract Documents; and payments made in accordance with legal judgments against the Contractor or Prime Subcontractor resulting from such suits or claims and payments of settlements made with the Owner’s consent. However, such costs of legal defenses, judgments and settlements shall not be included in the calculation of the Contractor’s Fee or subject to the Guaranteed Maximum Price. If such royalties, fees and costs are excluded by the last sentence of Section 3.17 of AIA Document A201–2007 or other provisions of the Contract Documents, then they shall not be included in the Cost of the Work.

§ 7.6.6 Costs for electronic equipment and software, directly related to the Work with the Owner’s prior written approval, other than for Constructware® project management software already in the Schedule of Values.

§ 7.6.7 Deposits lost for causes other than the Contractor’s negligence or failure to fulfill a specific responsibility in the Contract Documents.

§ 7.6.8 Legal, mediation and arbitration costs, including attorneys’ fees, other than those arising from disputes between the Owner and Contractor and/or Prime Subcontractor, reasonably incurred by the Contractor or Prime Subcontractor after the execution of this Agreement in the performance of the Work and with the Owner’s prior approval, which shall not be unreasonably withheld.

§ 7.7 OTHER COSTS AND EMERGENCIES

§ 7.7.1 Other costs incurred in the performance of the Work if, and to the extent, approved in advance in writing by the Owner.

§ 7.7.2 Costs incurred in taking action to prevent threatened damage, injury or loss in case of an emergency affecting the safety of persons and property, as provided in Section 10.4 of AIA Document A201–2007.

§ 7.7.3 Costs of repairing or correcting damaged or nonconforming Work executed by the Contractor, Prime Subcontractor, its Subcontractors or suppliers, provided that such damaged or nonconforming Work was not caused by the negligence or willful misconduct of the Contractor or the Prime Subcontractor or the breach of their contractual duties arising under the Contract Documents and only to the extent that the cost of repair or correction is not recovered by the Contractor or Prime Subcontractor from insurance, sureties, Subcontractors, suppliers, or others.

§ 7.8 PRIME SUBCONTRACTOR’S REIMBURSABLE CONDITIONS COSTS

The Owner and Contractor have hereby agreed that those certain administrative and supervisory personnel costs, direct overhead, and other onsite costs and expenses incurred by Contractor through its Prime Subcontractor in the performance of its administrative, supervisory, and management responsibilities under the Contract described or itemized in Division 01 – General Conditions in the Schedule of Values attached hereto as Exhibit C, (herein referred to as the "Prime Subcontractor’s Reimbursable General Conditions Costs") shall, notwithstanding the other terms of this Article 7, be reimbursable to the Prime Subcontractor (through the Contractor) and computed as follows:

Six percent (6%) of the Cost of the Work.
The Owner and Contractor have further agreed that those certain administrative and supervisory personnel costs, indirect overhead, and other offsite or home office costs and expenses incurred by Contractor through its Prime Subcontractor in the performance of its administrative, supervisory, and management responsibilities under the Contract, whether or not expressly reimbursable as Cost of the Work under this Article 7, (herein referred to as the "Prime Subcontractor’s Reimbursable Overhead") shall, notwithstanding the other terms of this Article 7, be reimbursable to the Prime Subcontractor (through the Contractor) and computed as follows:

Two percent (2%) of the Cost of the Work.

The Prime Subcontractor’s Reimbursable General Conditions Costs and Prime Subcontractor’s Reimbursable Overhead shall each be a separate line item in the Schedule of Values, and the amount to be paid to Contractor in each monthly Progress Payment for each such line item shall be based upon the overall percentage of completion of the Work in accordance with the Contract Documents and shall not be subject to audit, document back-up, or cost verification. In the event of any change in the Guaranteed Maximum Price as a result of a Change in the Work pursuant to Article 6 above, the Guaranteed Maximum Price shall be adjusted to reflect the increase or decrease in the Prime Subcontractor’s Reimbursable General Conditions Costs and Prime Subcontractor’s Reimbursable Overhead resulting from such Change in the Work.

(Paragraphs deleted)

§ 7.9 RELATED PARTY TRANSACTIONS

§ 7.9.1 For purposes of Section 7.8, the term "related party" shall mean a parent, subsidiary, affiliate or other entity having common ownership or management with the Prime Subcontractor; any entity in which any stockholder in, or management employee of, the Prime Subcontractor owns any interest in excess of ten percent in the aggregate; or any person or entity which has the right to control the business or affairs of the Prime Subcontractor. The term "related party" includes any member of the immediate family of any person identified above.

§ 7.9.2 If any of the costs to be reimbursed arise from a transaction between the Prime Subcontractor and a related party, the Prime Subcontractor shall notify the Owner of the specific nature of the contemplated transaction, including the identity of the related party and the anticipated cost to be incurred, before any such transaction is consummated or cost incurred. If the Owner, after such notification, authorizes the proposed transaction, then the cost incurred shall be included as a cost to be reimbursed, and the Prime Subcontractor shall procure the Work, equipment, goods or service from the related party, as a Subcontractor, according to the terms of Article 10. If the Owner fails to authorize the transaction, the Prime Subcontractor shall procure the Work, equipment, goods or service from some person or entity other than a related party according to the terms of Article 10.

ARTICLE 8 COSTS NOT TO BE REIMBURSED

§ 8.1 The Cost of the Work shall not include the items listed below:

.1 Salaries and other compensation of the Prime Subcontractor’s personnel stationed at the Prime Subcontractor’s principal office or offices other than the site office, except as specifically provided in Section 7.2. or as may be provided in Article 15;

.2 Expenses of the Prime Subcontractor’s principal office and offices other than the site office;

.3 Overhead and general expenses, except as may be expressly included in Article 7;

.4 The Contractor’s or Prime Subcontractor’s capital expenses, including interest on the Contractor’s or Prime Subcontractor’s capital employed for the Work;

.5 Except as provided in Section 7.7.3 of this Agreement, costs due to the gross negligence or willful misconduct of the Contractor, Prime Subcontractor, its Subcontractors and suppliers or anyone directly or indirectly employed by any of them or for whose acts any of them may be liable to fulfill a specific responsibility of the Contract;

.6 Any cost not specifically and expressly described in Article 7; and

.7 Costs, other than costs included in Change Orders approved by the Owner, that would cause the Guaranteed Maximum Price to be exceeded.

ARTICLE 9 DISCOUNTS, REBATES AND REFUNDS

§ 9.1 Cash discounts obtained on payments made by the Prime Subcontractor shall accrue to the Owner if (1) before making the payment, the Prime Subcontractor included them in an Application for Payment and received payment
from the Owner, or (2) the Owner has deposited funds with the Prime Subcontractor with which to make payments; otherwise, cash discounts shall accrue to the Prime Subcontractor. Trade discounts, rebates, refunds and amounts received from sales of surplus materials and equipment shall accrue to the Owner, and the Prime Subcontractor shall make provisions so that they can be obtained.

§ 9.2 Amounts that accrue to the Owner in accordance with the provisions of Section 9.1 shall be credited to the Owner as a deduction from the Cost of the Work.

ARTICLE 10 SUBCONTRACTS AND OTHER AGREEMENTS

§ 10.1 Those portions of the Work that the Contractor or its Prime Subcontractor have not been expressly authorized by the Owner to perform with the Contractor’s or the Prime Subcontractor’s own personnel shall be performed under subcontracts or by other appropriate agreements with the Prime Subcontractor. The Owner may designate specific persons from whom, or entities from which, the Prime Subcontractor shall obtain bids. The Prime Subcontractor shall obtain bids from Subcontractors and from suppliers of materials or equipment fabricated especially for the Work and shall deliver such bids to the Owner and Contractor. The Owner shall then determine, with the advice of the Contractor, the Prime Subcontractor, and the Architect, which bids will be accepted. The Contractor and the Prime Subcontractor shall not be required to contract with anyone to whom the Contractor or the Prime Subcontractor has reasonable objection.

§ 10.2 When a specific bidder (1) is recommended to the Owner by the Prime Subcontractor; (2) is qualified to perform that portion of the Work; and (3) has submitted a bid that conforms to the requirements of the Contract Documents without reservations or exceptions (hereinafter referred to as the "Recommended Sub-Subcontractor"), but the Owner requires that another bid be accepted, then the Prime Subcontractor may require that a Change Order be issued to adjust the Guaranteed Maximum Price by the difference between the bid of the person or entity recommended to the Owner by the Prime Subcontractor and the amount of the subcontract or other agreement actually signed with the person or entity designated by the Owner. If a Recommended Sub-Subcontractor is not the lowest bidder for a subcontract and the amount of the bid of the Recommended Sub-Subcontractor is $100,000 or more, Prime Subcontractor shall provide Owner and Contractor with a written explanation of why it is recommending the selection of the Recommended Sub-Subcontractor.

§ 10.3 Subcontracts or other agreements (other than the Prime Subcontractor) shall conform to the applicable payment provisions of this Agreement, and shall not be awarded on the basis of cost plus a fee without the prior consent of the Owner. If a Subcontract (other than the Prime Subcontract) is awarded on a cost-plus a fee basis, the Prime Subcontractor shall provide in the Subcontract for the Owner to receive the same audit rights with regard to the Subcontractor as the Owner receives with regard to the Contractor in Article 11, below.

ARTICLE 11 ACCOUNTING RECORDS

The Contractor and its Prime Subcontractor shall keep full and detailed records and accounts related to the cost of the Work and exercise such controls as may be necessary for proper financial management under this Contract and to substantiate all costs incurred. The accounting and control systems shall be satisfactory to the Owner. The Owner and the Owner’s auditors shall, during regular business hours and upon reasonable notice, be afforded access to, and shall be permitted to audit and copy, the Prime Subcontractor’s records and accounts, including complete documentation supporting accounting entries, books, correspondence, instructions, drawings, receipts, subcontracts, Subcontractor’s proposals, purchase orders, vouchers, memoranda and other data relating to this Contract. The Contractor and the Prime Subcontractor shall preserve these records for a period of three years after final payment, or for such longer period as may be required by law.

ARTICLE 12 PAYMENTS

§ 12.1 PROGRESS PAYMENTS

§ 12.1.1 Based upon Applications for Payment submitted to the Architect, the Owner shall make progress payments on account of the Contract Sum directly to the Prime Subcontractor as provided below and elsewhere in the Contract Documents.

§ 12.1.2 The period covered by each Application for Payment shall be one calendar month ending on the last day of the month, or as follows:
§ 12.1.3 Provided that an Application for Payment is received by the Architect not later than the 1st day of a month, the Owner shall make payment of the amount due directly to the Prime Subcontractor not later than the 15th day of the same month. If an Application for Payment is received by the Architect after the application date fixed above, payment shall be made by the Owner not later than thirty (30) days after the Architect receives the Application for Payment.

§ 12.1.4 [Intentionally omitted – see Section 12.1.9 below.]

§ 12.1.5 Each Application for Payment shall be based on the most recent Schedule of Values submitted by the Contractor or by the Prime Subcontractor (with a copy to the Contractor) in accordance with the Contract Documents. The Schedule of Values shall allocate the entire Guaranteed Maximum Price among the various portions of the Work, except that the Contractor’s Fee shall be shown as a single separate item. The approved Schedule of Values is attached hereto as Exhibit B and incorporated fully herein and, unless amended by the Prime Subcontractor, with the consent of the Owner, such consent not to be unreasonably withheld, shall be used as a basis for reviewing the Applications for Payment and determining the amount due for each such Progress Payment. Notwithstanding anything herein to the contrary, individual line items within the Schedule of Values are not separately guaranteed. Prime Subcontractor shall be entitled to adjust such line items in the Schedule of Values in its Applications for Payment to reflect actual costs incurred by Prime Subcontractor. Any unused amounts in line items shall be available to Prime Subcontractor as provided in the Prime Subcontract.

§ 12.1.6 Applications for Payment shall show the percentage of completion of each portion of the Work as of the end of the period covered by the Application for Payment. However, except for payment for Contractor’s Fee, Prime Subcontractor’s Reimbursable General Conditions Costs, and Prime Subcontractor’s Reimbursable Overhead (which are payable based upon the percentage of completion of the entire Work pursuant to Section 7.8 above), payment for the Cost of the Work shall be based upon the Cost of the Work actually incurred by the Prime Subcontractor as reflected in the respective Application for Payment.

§ 12.1.7 Subject to other provisions of the Contract Documents, the amount of each progress payment shall be computed as follows:

.1 Take the Cost of the Work actually incurred by the Prime Subcontractor as reflected in the Application for Payment and documented as required by the Contract Documents, including those amounts allocable to materials and equipment delivered and suitably stored at the site for subsequent incorporation in the Work, or if approved in advance by the Owner, suitably stored off the site at a location agreed upon in writing;

.2 Add the Prime Subcontractor’s Reimbursable General Conditions Costs and the Prime Subcontractor’s Reimbursable Overhead computed on the Cost of the Work at the rate stated in Section 7.8 above;

.3 Add the Contractor’s Fee computed on the Cost of the Work at the rate stated in Section 5.1.1;

.4 Subtract retainage as provided in Section 12.1.8 below;

.5 Subtract the aggregate of previous payments made by the Owner;

.6 Subtract amounts, if any, for which the Owner is expressly authorized to withhold under the General Conditions.

§ 12.1.8 Owner shall be entitled to withhold retainage on the Cost of the Work, except as provided herein, in the amount of ten percent (10%) until Substantial Completion of the entire Work. Notwithstanding the foregoing, retainage shall not be withheld on Contractor’s Fee, the Prime Subcontractor’s Reimbursable General Conditions Costs, the Prime Subcontractor’s Reimbursable Overhead, and Prime Subcontractor’s direct purchase of materials, equipment, bond, insurance, and legal, consulting or professional services. Retainage shall be paid directly to the Prime Subcontractor in the next Progress Payment following the Substantial Completion of the Work as provided in Section 12.1.10 below. As the incomplete Work itemized in the punchlist is completed in accordance with the Contract Documents, the Prime Subcontractor will be paid at the next respective Progress Payment the amount withheld pursuant to Section 12.1.10.1 below for each such item of Work.

§ 12.1.9 In taking action on the Applications for Payment, the Architect shall be entitled to rely on the accuracy and completeness of the information furnished in connection with the Application for Payment and shall not be deemed to represent that the Architect has made a detailed examination, audit or arithmetic verification of the documentation.
submitted in accordance with Section 12.1.4 or other supporting data; that the Architect has made exhaustive or continuous on-site inspections; or that the Architect has made examinations to ascertain how or for what purposes the Contractor or its Prime Subcontractor has used amounts previously paid on account of the Contract. Such examinations, audits and verifications, if required by the Owner, will be performed by the Owner’s auditors acting in the sole interest of the Owner.

§ 12.1.10 The progress payment amount determined in accordance with Section 12.1.7 shall be further modified under the following circumstances:

.1 Add, upon Substantial Completion of the Work, a sum sufficient to increase the total payments to the full amount of the Contract Sum, less such reasonable amounts sufficient to cover the cost to complete the incomplete Work in the punchlist prepared in accordance with the General Conditions and unsettled claims; and

.2 Add, if final completion of the Work is thereafter materially delayed through no fault of the Contractor, any additional amounts payable in accordance with Section 9.10.3 of General Conditions.

§ 12.1.11 In connection with each Application for Payment, the Prime Subcontractor shall certify that there are no known mechanics’ liens or claims outstanding on the date of the Application, that all due and payable bills with respect to the Work have been paid to date or are included in the amount requested in the current Application, that all bills or obligations for which funds have been paid to Prime Subcontractor pursuant to all previous Applications have been paid, and that, except for such bills not paid but so included, there is no known basis for the filing of any mechanics’ liens on the Work; provided, however, the Prime Subcontractor may qualify such certification by specifying in reasonable detail any outstanding liens, claims or disputed bills or obligations. This certification shall be in the form substantially similar to the form attached as Exhibit F-1 and made part hereof for all purposes.

§ 12.1.12 In connection with each Application for Payment, the Prime Subcontractor shall also require its Sub-subcontractors who performed work during each applicable pay period to certify that there are no known mechanics’ liens or claims outstanding on the date of the Application, that all due and payable bills with respect to the Work have been paid to date or are included in the amount requested in the current Application, that all bills or obligations for which funds have been paid to the respective Sub-subcontractor pursuant to all previous Applications have been paid, and that, except for such bills not paid but so included, there is no known basis for the filing of any mechanics’ liens on the Work; provided, however, the respective Sub-subcontractor may qualify such certification by specifying in reasonable detail any outstanding liens, claims or disputed bills or obligations. This certification shall be in the form substantially similar to the form attached as Exhibit F-1.

§ 12.2 FINAL PAYMENT
§ 12.2.1 Final payment, constituting the entire unpaid balance of the Contract Sum, shall be made by the Owner directly to the Prime Subcontractor when:

.1 the Work has been fully performed in accordance with the Contract, except for the Contractor’s responsibility to correct Work as provided in Section 12.2.2 of AIA Document A201–2007, and to satisfy other requirements expressly required by the Contract Documents, if any, which extend beyond final payment;

.2 the Prime Subcontractor has submitted a reconciliation report as required by Section 12.2.2 below;

.3 the Prime Subcontractor has submitted a final Application for Payment; and

.4 the Contractor or the Prime Subcontractor shall submit to the Owner: (a) final release of lien in substantially similar form to the form attached hereto as Exhibit F-2 and made part hereof for all purposes, executed by the Prime Subcontractor in connection with the Work and final payment shall not be due hereunder until such release is delivered to the Owner, and (b) a final release of lien from each Sub-subcontractor whose Sub-subcontract is in an amount in excess of $25,000 in substantially similar form to the form attached hereto as Exhibit F-2, duly executed and acknowledged by the respective Sub-subcontractor.

§ 12.2.2 Upon completion of the Work and as a condition to final payment, Prime Subcontractor shall submit to Owner and Contractor a written reconciliation report evidencing the difference, if any, between (a) the amounts Owner has paid to the Prime Subcontractor under the Schedule of Values, including the Contractor’s Fee paid to Prime Subcontractor and (b) the actual Cost of the Work incurred to the applicable date plus the portion of the Contractor’s...
Fee owed to the applicable date under this Agreement. If such written reconciliation report shows that Owner’s payments pursuant to the Schedule of Values plus the Contractor’s Fee has resulted in payment to the Prime Subcontractor in excess of the actual Cost of the Work plus the Contractor’s Fee then owed, the overpayment shall be credited to Owner, with the credit being deducted from the final payment or, if such overpayment exceeds the amount of the final payment, then the amount that the overpayment exceeds the final payment shall be refunded to Owner. Such report shall be subject to review by the Owner’s auditor.

§ 12.2.3 [Intentionally omitted – see Section 12.2.2 above.]

§ 12.2.4 The Owner’s final payment to the Contractor shall be made no later than 30 days after the Prime Subcontractor complies with the requirements for final payment as set forth in Section 12.2.1 above.

§ 12.2.5 If, subsequent to final payment and at the Owner’s request, the Contractor incurs costs described in Article 7 and not excluded by Article 8 to correct defective or nonconforming Work, the Owner shall reimburse the Contractor such costs (or the Prime Subcontractor directly for such costs incurred by the Prime Subcontractor) and the Contractor’s Fee applicable thereto on the same basis as if such costs had been incurred prior to final payment, but not in excess of the Guaranteed Maximum Price.

ARTICLE 13 DISPUTE RESOLUTION

§ 13.1 INITIAL DECISION MAKER

The Architect identified on the first page of this Agreement shall be the Initial Decision Maker.

§ 13.2 BINDING DISPUTE RESOLUTION

For any Claim subject to, but not resolved by mediation pursuant to Section 15.3 of AIA Document A201–2007, the method of binding dispute resolution shall be as follows:

(\[
\text{Check the appropriate box. If the Owner and Contractor do not select a method of binding dispute resolution below, or do not subsequently agree in writing to a binding dispute resolution method other than litigation, Claims will be resolved by litigation in a court of competent jurisdiction.)}
\]

[ X ] Arbitration pursuant to Section 15.4 of AIA Document A201–2007

ARTICLE 14 TERMINATION OR SUSPENSION

§ 14.1 Subject to the provisions of Section 14.2 below, the Contract may be terminated by the Owner or the Contractor as provided in Article 14 of AIA Document A201–2007.

§ 14.2 If the Owner terminates the Contract for cause as provided in Article 14 of AIA Document A201–2007, the amount, if any, to be paid to the Contractor under Section 14.2.4 of AIA Document A201–2007 shall not cause the Guaranteed Maximum Price to be exceeded, nor shall it exceed an amount calculated as follows:

.1 Take the Cost of the Work incurred by the Contractor (including the Cost incurred by the Prime Subcontractor) to the date of termination;

.2 Add the Contractor’s Fee computed upon the Cost of the Work to the date of termination at the rate stated in Section 5.1.1 or, if the Contractor’s Fee is stated as a fixed sum in that Section, an amount that bears the same ratio to that fixed-sum Fee as the Cost of the Work at the time of termination bears to a reasonable estimate of the probable Cost of the Work upon its completion; and

.3 Subtract the aggregate of previous payments made by the Owner.

§ 14.3 The Owner shall also pay the Prime Subcontractor fair compensation, either by purchase or rental at the election of the Owner, for any equipment owned by the Prime Subcontractor that the Owner elects to retain and that is not otherwise included in the Cost of the Work under Section 14.2.1. To the extent that the Owner elects to take legal
assignment of subcontracts and purchase orders (including rental agreements), the Contractor shall, as a condition of receiving the payments referred to in this Article 14, execute and deliver all such papers and take all such steps, including the legal assignment of such subcontracts and other contractual rights of the Contractor, as the Owner may require for the purpose of fully vesting in the Owner the rights and benefits of the Contractor under such subcontracts or purchase orders.

§ 14.4 The Work may be suspended by the Owner as provided in Article 14 of AIA Document A201–2007; in such case, the Guaranteed Maximum Price and Contract Time shall be increased as provided in Section 14.3.2 of AIA Document A201–2007, except that the term "profit" shall be understood to mean the Contractor’s Fee as described in Sections 5.1.1 and Section 6.4 of this Agreement.

ARTICLE 15 MISCELLANEOUS PROVISIONS

§ 15.1 Where reference is made in this Agreement to a provision of AIA Document A201–2007 or another Contract Document, the reference refers to that provision as amended or supplemented by other provisions of the Contract Documents. Where reference is made in this Agreement to a provision of the AIA Document A201 of the General Conditions, the references refer to the 2007 Edition of the AIA Document A201 as amended by the parties hereto.

§ 15.2 Payments due and unpaid under the Contract shall bear interest from the date payment is due at the rate of ten percent (10%) per annum.

§ 15.3 The Owner’s representative:
(Name, address and other information)

See List of the Parties’ Representatives attached hereto as Exhibit E.

§ 15.4 The Contractor’s representative:
(Name, address and other information)

See List of the Parties’ Representatives attached hereto as Exhibit E.

§ 15.5 Neither the Owner’s nor the Contractor’s representative shall be changed without ten days’ written notice to the other party.

§ 15.6 Other provisions:

§ 15.6.1 If any action at law or in equity, including an arbitration proceeding, is necessary to enforce or interpret the terms of this Agreement, the Court or the arbitrator(s), as applicable, shall determine the prevailing party and award to such prevailing party, in addition to any other relief to which such party is entitled to recover, its reasonable attorneys’ fees, expert witness fees, costs, and other reasonable expenses incurred in such proceeding.

§ 15.6.2 The following exhibits are attached hereto and incorporated fully herein.

EXHIBIT A-1 – Schedule of the Work
EXHIBIT A-2 – Liquidated Damages
EXHIBIT B – List of Clarifications and Assumptions to GMP and Allowances
EXHIBIT C – Schedule of Values
EXHIBIT D – List of the Parties’ Representatives
EXHIBIT E – List of the Contract Documents
EXHIBIT F-1 – Form: Lien Waiver/Release and Bills Paid Affidavit (Interim Payments)
EXHIBIT F-2 – Form: Lien Waiver/Release and Bills Paid Affidavit (Final Payment)
EXHIBIT G – Owner’s Financing Disclosure
EXHIBIT H – Insurance Requirements
EXHIBIT I -- City of Houston Construction Contract Requirements consisting of:
1. MWBE & SBE Participation Goals
2. Davis-Bacon Wage Decision Letter
3. City of Houston Housing and Community Development Department (HCDD) Compliance Packet for Section 3, Davis-Bacon and Related Acts, and MWSBE

§15.6.3 PRIME SUBCONTRACTOR. The parties hereto acknowledge and agree that, notwithstanding any other term in this Agreement or the other Contract Documents, the Contractor shall subcontract with the Prime Subcontractor identified herein to perform all of the Work to be performed hereunder. Any written agreement between Owner, Contractor, and Prime Subcontractor entered into and executed by the parties thereto as of the same effective date of this Agreement or any date thereafter and which modifies or amends the terms hereof shall be binding on the Owner and the Contractor the same as if such agreement had been incorporated herein for all purposes and the terms of such written agreement by the Owner, Contractor, and Prime Subcontractor shall control over any conflicting terms hereof.

§15.6.3.1 Owner acknowledges and consents to the Contractor’s assignment of its rights against the Owner arising under the Contract Documents to secure and collect all such sums due under this Agreement, including Contractor’s constitutional and statutory lien rights and rights to bring an action directly against the Owner for collection of such sums due, subject to the dispute resolution requirements of this Agreement. Such assignment shall be contingent upon the failure of the Prime Subcontractor to be paid in accordance with the requirements of the Prime Subcontract.

§15.6.3.2 Notwithstanding any other term in this Agreement, the Owner and Contractor acknowledge and agree that, for purposes of Prime Subcontractor’s statutory and constitutional mechanic’s lien rights, Prime Subcontractor is an original contractor as defined in Section 53.206 of the Texas Property Code.

§15.6.3.3 A copy of all written notices which the Contract Documents require to be sent to the Contractor or which are required to be sent by the Contractor shall also be served contemporaneously on the Prime Subcontractor.

§15.6.3.4 Notwithstanding any other term of the Contract Documents, modifications or amendments of this Agreement entered into by and between the Owner and the Contractor shall be effective only to the extent the Prime Subcontractor consents in writing to such modifications or amendments or such modifications or amendments do not: (a) prejudice the Prime Subcontractor; (b) decrease the compensation to which Prime Subcontractor is entitled to be paid under the Prime Subcontract; (c) or increase the Prime Subcontractor’s risk or obligations.

ARTICLE 16 ENUMERATION OF CONTRACT DOCUMENTS
§ 16.1 The Contract Documents, except for Modifications issued after execution of this Agreement, are enumerated in the sections below.

§ 16.1.1 The Agreement is this executed AIA Document A102–2007, Standard Form of Agreement Between Owner and Contractor, as modified by the parties.

§ 16.1.2 The General Conditions are AIA Document A201–2007, General Conditions of the Contract for Construction, as modified by the parties as of the date of this Agreement. All references in this Agreement to "the AIA Document A201-2007 General Conditions" (or variations thereof) shall mean the General Conditions as modified by the parties for this Project.

§ 16.1.3 The Supplementary and other Conditions of the Contract, if any are identified in the List of Contract Documents attached hereto as Exhibit E.

§ 16.1.4 The Specifications:

see the List of the Contract Documents attached hereto as Exhibit E.
§ 16.1.5 The Drawings:

see the List of the Contract Documents attached hereto as Exhibit E.

§ 16.1.6 The Addenda, if any:

see the List of the Contract Documents attached hereto as Exhibit E.

§ 16.1.7 Additional documents, if any, forming part of the Contract Documents:

.1 AIA Document E201™–2007, Digital Data Protocol Exhibit, if completed by the parties, or the following:

   n/a

.2 Other documents, if any, listed below:

(List here any additional documents that are intended to form part of the Contract Documents. AIA
document A201–2007 provides that bidding requirements such as advertisement or invitation to bid,
Instructions to Bidders, sample forms and the Contractor’s bid are not part of the Contract Documents
unless enumerated in this Agreement. They should be listed here only if intended to be part of the
Contract Documents.)

Owner’s Financing Disclosure attached hereto as Exhibit G and incorporated fully herein.

ARTICLE 17 INSURANCE AND BONDS

Contractor shall provide and maintain and/or cause the Prime Subcontractor to provide and maintain such insurance
coverages as required in Article 11 of the General Conditions and the Insurance Requirements as attached hereto as
Exhibit H and incorporated for all purposes herein. Contractor shall further require its Prime Subcontractor to furnish
a performance bond and a payment bond in a penal sum in the amount of the Contract Sum of the Prime Subcontract
and a maintenance bond covering the Contractor’s obligations for correction of defective Work during the one year
corrective period as required in Article 12 of the General Conditions in a penal sum of ten percent (10%) of the final
Contract Sum.

* * * * * * *

This Agreement entered into as of the day and year first written above.

OWNER: Dale Carnegie SRO, Ltd., a Texas limited partnership

By: NHH Dale Carnegie, LLC, a Texas limited liability company, its general partner
By: Houston Area Community Development Corporation, a Texas nonprofit corporation, its sole member

By: ______________________________
    Joy Horak-Brown, President & CEO

CONTRACTOR: Houston Area Community Development Corporation

By: ______________________________
    Joy Horak-Brown, President & CEO
EXHIBITS TO
OWNER/CONTRACTOR AGREEMENT (AIA A102)
BETWEEN

DALE CARNEGIE SRO, LTD.
AND
HOUSTON AREA COMMUNITY
DEVELOPMENT CORPORATION (HACDC)

PROJECT: New Hope Housing Dale Carnegie
A preliminary Schedule is attached hereto; however, the Schedule of the Work on which the Contract Time shall be measured in accordance with Section 4.2 of the Agreement shall be included in the GMP Amendment or such other Modification to the Agreement.
EXHIBIT A-2

LIQUIDATED DAMAGES

The Contractor and Owner acknowledge that time is of the essence in the completion of the Project and that the Contractor shall achieve Substantial Completion of the entire Work as required in Section 4.3 of the Agreement. Contractor acknowledges that Owner is relying upon qualifying for tax credits which are only available upon the completion and leasing of the units. Accordingly, delays in the completion of the Project will result in an economic loss to the Owner, which will be passed on to the Contractor in the following manner:

except as provided immediately below, the sum of $500.00 per day for each day of delay (if any) after the 31st day after the date required in the Agreement for Substantial Completion of the Work, subject to adjustments as provided in the Contract Documents.

for each day of delay (if any) after the 62nd day after the date required in the Agreement for Substantial Completion of the Work, subject to adjustments as provided in the Contract Documents, the amount of the Liquidated Damages shall increase to the sum of $750.00 per day.

The foregoing Liquidated Damages shall not apply except to the extent that the Contract Time requirements are established or confirmed in the GMP Amendment.
EXHIBIT B
LIST OF CLARIFICATIONS AND ASSUMPTIONS TO GMP AND ALLOWANCES

When the plans and specifications have been sufficiently completed in order for the Contractor to price its Estimated Cost of the Work and confirm the schedule and at a time mutually agreed upon by the Owner and Contractor, the Contractor shall prepare a Guaranteed Maximum Price proposal for the Owner’s review and acceptance. The Guaranteed Maximum Price in the proposal shall be the sum of the Contractor’s estimate of the Cost of the Work, including allowances and/or contingencies to be made a part of the Guaranteed Maximum Price, and the Contractor’s Fee.

Upon acceptance of the proposed Guaranteed Maximum Price, the parties shall enter into the Guaranteed Maximum Price Amendment which shall confirm the Contract Time requirements and establish the Guaranteed Maximum Price, with the information and assumptions upon which it is based.
EXHIBIT C
SCHEDULE OF VALUES

The Schedule of Values for the Guaranteed Maximum Price shall be attached to and made a part of the Guaranteed Maximum Price Amendment.

Included here is an estimated construction cost schedule.
### Development Cost Schedule

This Development Cost Schedule must be consistent with the Summary Sources and Uses of Funds Statement. All Applications must complete the total development cost column and the Tax Payer Identification column. Only HTC applications must complete the Eligible Basis columns and the Requested Credit calculation below:

**TOTAL DEVELOPMENT SUMMARY**

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>Eligible Basis (If Applicable)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cost</td>
<td>Acquisition</td>
<td>New/Rehab.</td>
</tr>
<tr>
<td><strong>ACQUISITION</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Site acquisition cost</td>
<td>1,295,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Existing building acquisition cost</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Closing costs &amp; acq. legal fees</td>
<td>5,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Subtotal Acquisition Cost</strong></td>
<td>$1,300,000</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td><strong>OFF-SITES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Off-site concrete</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Storm drains &amp; devices</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water &amp; fire hydrants</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Off-site utilities</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sewer lateral(s)</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Off-site paving</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Off-site electrical</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Subtotal Off-Sites Cost</strong></td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td><strong>SITE WORK</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Demolition</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Asbestos Abatement (Demolition Only)</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Detention</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rough grading</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fine grading</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>On-site concrete</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>On-site electrical</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>On-site paving</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>On-site utilities</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Decorative masonry</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bumper stops, striping &amp; signs</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>See attached detailed schedule</strong></td>
<td>1,682,567</td>
<td>1,682,567</td>
<td></td>
</tr>
<tr>
<td><strong>Subtotal Site Work Cost</strong></td>
<td>$1,682,567</td>
<td>$0</td>
<td>$1,682,567</td>
</tr>
<tr>
<td><strong>SITE AMENITIES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Landscaping</td>
<td>275,000</td>
<td></td>
<td>275,000</td>
</tr>
<tr>
<td>Pool and decking</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Athletic court(s), playground(s)</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fencing</td>
<td>67,000</td>
<td></td>
<td>67,000</td>
</tr>
<tr>
<td>Courtyard furnishings &amp; cast concrete</td>
<td>75,000</td>
<td></td>
<td>75,000</td>
</tr>
<tr>
<td><strong>Subtotal Site Amenities Cost</strong></td>
<td>$417,000</td>
<td>$0</td>
<td>$417,000</td>
</tr>
</tbody>
</table>
**BUILDING COSTS***:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount Before 11.9(e)(2)</th>
<th>Amount After 11.9(e)(2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Concrete</td>
<td>603,832</td>
<td>603,832</td>
</tr>
<tr>
<td>Masonry</td>
<td>372,678</td>
<td>372,678</td>
</tr>
<tr>
<td>Metals</td>
<td>382,113</td>
<td>382,113</td>
</tr>
<tr>
<td>Woods and Plastics</td>
<td>2,895,451</td>
<td>2,895,451</td>
</tr>
<tr>
<td>Thermal and Moisture Protection</td>
<td>612,324</td>
<td>612,324</td>
</tr>
<tr>
<td>Roof Covering</td>
<td>858,574</td>
<td>858,574</td>
</tr>
<tr>
<td>Doors and Windows</td>
<td>415,135</td>
<td>415,135</td>
</tr>
<tr>
<td>Finishes</td>
<td>1,155,773</td>
<td>1,155,773</td>
</tr>
<tr>
<td>Specialties</td>
<td>205,680</td>
<td>205,680</td>
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<tr>
<td>Equipment</td>
<td>141,523</td>
<td>141,523</td>
</tr>
<tr>
<td>Furnishings</td>
<td>23,587</td>
<td>23,587</td>
</tr>
<tr>
<td>Special Construction</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Conveying Systems (Elevators)</td>
<td>193,415</td>
<td>193,415</td>
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<tr>
<td>Mechanical (HVAC; Plumbing)</td>
<td>2,998,405</td>
<td>2,998,405</td>
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<tr>
<td>Electrical</td>
<td>1,594,966</td>
<td>1,594,966</td>
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</tbody>
</table>

**Individually itemize costs below:**

<table>
<thead>
<tr>
<th>Category</th>
<th>Before 11.9(e)(2)</th>
<th>After 11.9(e)(2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Detached Community Facilities/Building</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Carports and/or Garages</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Lead-Based Paint Abatement</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Asbestos Abatement (Rehabilitation Only)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Structured Parking</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Commercial Space Costs</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Other (specify) - see footnote 1</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Subtotal Building Costs: $12,453,456

**TOTAL BUILDING COSTS & SITE WORK (including site amenities):**

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount Before 11.9(e)(2)</th>
<th>Amount After 11.9(e)(2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Detached Community Facilities/Building</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Carports and/or Garages</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Lead-Based Paint Abatement</td>
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<td>0</td>
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<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Structured Parking</td>
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<td>0</td>
</tr>
<tr>
<td>Commercial Space Costs</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Other (specify) - see footnote 1</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Subtotal Building Costs Before 11.9(e)(2): $12,453,456

Voluntary Eligible Building Costs (After 11.9(e)(2))

Enter amount to be used to achieve desired score.

$77.99 psf

$4,507,198

**TOTAL HARD COSTS**

<table>
<thead>
<tr>
<th>Category</th>
<th>%THC</th>
<th>Amount Before 11.9(e)(2)</th>
<th>Amount After 11.9(e)(2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>General requirements (&lt;6%)</td>
<td>6.00</td>
<td>916,840</td>
<td>0</td>
</tr>
<tr>
<td>Field supervision (within GR limit)</td>
<td>2.00</td>
<td>305,613</td>
<td>138,742</td>
</tr>
<tr>
<td>Contractor overhead (&lt;2%)</td>
<td>6.00</td>
<td>916,840</td>
<td>416,226</td>
</tr>
<tr>
<td>Contractor profit (&lt;6%)</td>
<td>6.00</td>
<td>916,840</td>
<td>416,226</td>
</tr>
</tbody>
</table>

TOTAL CONTRACTOR FEES: $2,139,294

**TOTAL CONSTRUCTION CONTRACT**

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount Before 11.9(e)(2)</th>
<th>Amount After 11.9(e)(2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Detached Community Facilities/Building</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Carports and/or Garages</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Lead-Based Paint Abatement</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Asbestos Abatement (Rehabilitation Only)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Structured Parking</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Commercial Space Costs</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Other (specify) - see footnote 1</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

$17,419,969

Voluntary Eligible "Hard Costs" (After 11.9(e)(2))

Enter amount to be used to achieve desired score.

$0.00 psf

$7,908,298

*To score points under §11.9(e)(2) related to Cost of Development per Square Foot, the Voluntary Eligible Building Costs OR the Voluntary Eligible Hard Costs indicated above must fall within the required thresholds. If voluntary costs are not entered, staff will consider the Subtotal Building Cost or the Total Construction Contract costs, as applicable. Enter score for Building OR Hard Costs at end of form.
EXHIBIT D

LIST OF THE PARTIES' REPRESENTATIVES

OWNER:

Joy Horak-Brown, President and CEO
Houston Area Community Development Corporation
As sole member of the general partner for
Dale Carnegie SRO, Ltd.
1117 Texas Avenue, Houston, Texas 77002

with copy to:

Barry Palmer
Coats Rose
9 Greenway Plaza
Suite 1100
Houston, Texas 77046

CONTRACTOR:

Joy Horak-Brown, President and CEO
Houston Area Community Development Corporation
1117 Texas Avenue, Houston, Texas 77002

PRIME SUBCONTRACTOR:

Bobby Rivers
Camden Builders, Inc.
11 Greenway Plaza, Suite 2400
Houston, Texas 77046
Attached are preliminary design documents.
DESIGN ASSUMPTIONS

- 4 STORY RESIDENTIAL BUILDING
- 2 STORY COMMON AREA BUILDING
- 170 SRO SLEEPING UNITS
- SITE ACREAGE = 1.979
- ALL UNITS COMPLY WITH THE FAIR HOUSING VISIBILITY REQUIREMENTS OF 10.101(b)(8)(B)(iii)
- 5% OF THE 170 UNITS WILL BE FULLY ACCESSIBLE FOR MOBILITY IMPAIRED (9 UNITS TOTAL)
- 2% OF THE 170 UNITS WILL BE OUTFITTED WITH VISUALLY AND/OR HEARING IMPAIRED DEVICES (4 UNITS TOTAL)

PROPERTY DETENTION

- DETENTION REQUIRED: .05 ACRE FT. PER ACRE = 20,410 C.F.
- DETENTION PROPOSED: 21,000 C.F.
- PROPERTY IS NOT IN THE 100 OR 500 YR. FLOOD PLAIN
- MITIGATION: NONE REQUIRED
- DETENTION UNDER DRIVE LANE IN 4'-0" DIA. PIPES
- THERE IS NO DETENTION POND

PROPOSED BUILDING AREA

170 UNITS (NET RENTABLE AREA) 49,292 SF
COMMON AREA FOR RESIDENTS 7,460 SF
BUILDING SUPPORT / OFFICES / MECHANICAL 8,885 SF
CIRCULATION - (STAIRS, CORRIDORS, ELEVATORS) 24,084 SF
TOTAL BUILDING AREA 89,721 SF

PARKING

MEETS CITY OF HOUSTON REQUIREMENT, FOR CLASS 2 - c. SPECIAL RESIDENTIAL
170 UNITS X 0.3 SPACES = 51 SPACES
(1) SPACE PER EMPLOYEE = 6 SPACES
57 TOTAL PARKING SPACES
(3) ACCESSIBLE PARKING SPACES, INCLUDING (1) VAN ACCESSIBLE SPACE
NO GARAGES; NO CARPORTS; NO COVERED PARKING

UNIT DISTRIBUTION AND COUNT BY LEVEL

<table>
<thead>
<tr>
<th>FLR 1</th>
<th>FLR 2</th>
<th>FLR 3</th>
<th>FLR 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>0</td>
<td>31</td>
<td>4</td>
</tr>
<tr>
<td>35</td>
<td>31</td>
<td>24</td>
<td>40</td>
</tr>
<tr>
<td>0</td>
<td>7</td>
<td>19</td>
<td>3</td>
</tr>
<tr>
<td>37</td>
<td>41</td>
<td>46</td>
<td>46</td>
</tr>
</tbody>
</table>

UNITS BY LEVEL

- MOBILITY IMPAIRED: 2 UNITS
- HEARING/VISUALLY IMPAIRED: 1 UNIT

PROPERTY DETENTION

- DETENTION REQUIRED: .05 ACRE FT. PER ACRE = 20,410 C.F.
- DETENTION PROPOSED: 21,000 C.F.
- PROPERTY IS NOT IN THE 100 OR 500 YR. FLOOD PLAIN
- MITIGATION: NONE REQUIRED
- DETENTION UNDER DRIVE LANE IN 4'-0" DIA. PIPES
- THERE IS NO DETENTION POND

UNIT TYPES AND SQUARE FOOTAGE

<table>
<thead>
<tr>
<th>UNIT TYPES AND SQUARE FOOTAGE</th>
<th>UNIT COUNT BY TYPE</th>
<th>TOTAL SF BY UNIT TYPE</th>
</tr>
</thead>
<tbody>
<tr>
<td>UNIT A - ACCESSIBLE EFFICIENCY 360 SF</td>
<td>UNIT TYPE A 609 → 05.0%</td>
<td>UNIT TYPE A 3,240 SF</td>
</tr>
<tr>
<td>UNIT B - LARGE EFFICIENCY 360 SF</td>
<td>UNIT TYPE B 502 → 11.0%</td>
<td>UNIT TYPE B 720 SF</td>
</tr>
<tr>
<td>UNIT C - STANDARD EFFICIENCY 280 SF</td>
<td>UNIT TYPE C 130 → 76.0%</td>
<td>UNIT TYPE C 36,400 SF</td>
</tr>
<tr>
<td>UNIT D - EXTENDED STND EFFICIENCY 308 SF</td>
<td>UNIT TYPE D 69 → 18.0%</td>
<td>UNIT TYPE D 8,932 SF</td>
</tr>
<tr>
<td>TOTAL UNITS 170 → 100%</td>
<td>TOTAL SF 49,292 SF</td>
<td></td>
</tr>
</tbody>
</table>

NEW HOPE HOUSING DALE CARNEGIE
LEGEND

- CIRCULATION
- COMMON AREA
- MECHANICAL
- PUBLIC SERVICES
- STAIRS
- UNIT A - ACCESSIBLE
- UNIT C - STANDARD

SQUARE FOOTAGES - LEVEL ONE

- (2) UNIT TYPE A - ACCESSIBLE UNIT: 720 SF
- (35) UNIT TYPE C - STANDARD UNIT: 9,800 SF
- COMMON AREAS FOR RESIDENTS: 3,250 SF
- MECHANICAL/BUILDING SUPPORT (RESTRICTED): 2,601 SF
- CIRCULATION: 7,203 SF
- LEVEL ONE TOTAL: 23,574 SF

NEW HOPE HOUSING DALE CARNEGIE
SQUARE FOOTAGES - LEVEL TWO

(3) UNIT TYPE A - ACCESSIBLE UNIT
1,080 SF

(31) UNIT TYPE C - STANDARD UNIT
8,680 SF

(7) UNIT TYPE D - EXTENDED STANDARD UNIT
2,156 SF

COMMON AREAS FOR RESIDENTS
3,510 SF

MECHANICAL/BUILDING SUPPORT (RESTRICTED)
2,061 SF

CIRCULATION
5,627 SF

LEVEL TWO TOTAL
23,114 SF

NOTE:
SEE "COMMON AREA PLANS" SHEET
FOR ENLARGED PLANS OF
COMMON AREAS

LEGEND

CIRCULATION
COMMON AREA
MECHANICAL
PUBLIC SERVICES
STAIRS
UNIT A - ACCESSIBLE
UNIT C - STANDARD
UNIT D - EXTENDED

NEW HOPE HOUSING DALE CARNEGIE
SQUARE FOOTAGES - LEVEL THREE

(2) UNIT TYPE A - ACCESSIBLE UNIT 720 SF
(1) UNIT TYPE B - LARGE UNIT 360 SF
(24) UNIT TYPE C - STANDARD UNIT 6,720 SF
(19) UNIT TYPE D - EXTENDED STANDARD UNIT 5,852 SF
COMMON AREAS FOR RESIDENTS 560 SF
MECHANICAL/BUILDING SUPPORT (RESTRICTED) 1,917 SF
CIRCULATION 5,627 SF
LEVEL THREE TOTAL 21,756 SF

LEGEND
- CIRCULATION
- COMMON AREAS
- MECHANICAL
- STAIRS
- UNIT A - ACCESSIBLE
- UNIT B - LARGE
- UNIT C - STANDARD
- UNIT D - EXTENDED

3RD FLOOR PLAN
NEW HOPE HOUSING DALE CARNEGIE

DATE: 26 FEB 2018
JOE #: 1801NHG
SCALE: 1" = 30'-0"
**LEGEND**

- CIRCULATION
- COMMON AREA
- MECHANICAL
- STAIRS
- UNIT A - ACCESSIBLE
- UNIT B - LARGE
- UNIT C - STANDARD
- UNIT D - EXTENDED

**SQUARE FOOTAGES - LEVEL FOUR**

- (2) UNIT TYPE A - ACCESSIBLE UNIT: 720 SF
- (1) UNIT TYPE B - LARGE UNIT: 380 SF
- (40) UNIT TYPE C - STANDARD UNIT: 1,200 SF
- (3) UNIT TYPE D - EXTENDED STANDARD UNIT: 924 SF

**COMMON AREAS FOR RESIDENTS**
- MECHANICAL/BUILDING SUPPORT (RESTRICTED): 140 SF
- CIRCULATION: 2,306 SF
- OPEN COURTYARD BELOW: 5,627 SF

**LEVEL FOUR TOTAL**: 21,277 SF

**NEW HOPE HOUSING DALE CARNEGIE**

**4TH FLOOR PLAN**

**NOT FOR REGULATORY APPROVAL, PERMITTING OR CONSTRUCTION**

**DATE**: 26 FEB 2018

**JOB #:** 1501N99

**SCALE**: 1" = 30'-0"
UNIT AMENITIES

- ENERGY STAR MICROWAVE & REFRIGERATOR
- ENERGY STAR LIGHTING
- WINDOW COVERINGS PROVIDED
- R-15 INSULATION AT EXTERIOR WALLS
- R-30 AT EXPOSED FLOORS AND ROOF
- RESILIENT VINYL FLOORING
- COVERED ENTRY
- INDIVIDUAL VRF AIR CONDITIONING UNIT W/ CONTROLS
- AUTOMATIC SPRINKLER SYSTEM THROUGHOUT
- HIGH EFFICIENCY TOILETS
- LOW FLOW FAUCETS AND SHOWER HEAD
- BUILT-IN HEADBOARD & NIGHTSTAND
- BUILT-IN RECESSED SHELVES
- WI-FI INTERNET / PHONE ACCESS

NEW HOPE HOUSING DALE CARNEGIE

UNIT A
ACCESSIBLE
360 S.F.
UNIT AMENITIES:
• ENERGY STAR MICROWAVE & REFRIGERATOR
• ENERGY STAR LIGHTING
• WINDOW COVERINGS PROVIDED
• R-15 INSULATION AT EXTERIOR WALLS
• R-30 AT EXPOSED FLOORS AND ROOF
• RESILIENT VINYL FLOORING
• COVERED ENTRY
• INDIVIDUAL VRF AIR CONDITIONING UNIT W/ CONTROLS
• AUTOMATIC SPRINKLER SYSTEM THROUGHOUT
• HIGH EFFICIENCY TOILETS
• LOW FLOW FAUCETS AND SHOWER HEAD
• BUILT-IN HEADBOARD & NIGHTSTAND
• BUILT-IN RECESSED SHELVES
• WI-FI INTERNET / PHONE ACCESS
UNIT AMENITIES
- ENERGY STAR MICROWAVE & REFRIGERATOR
- ENERGY STAR LIGHTING
- WINDOW COVERINGS PROVIDED
- R-15 INSULATION AT EXTERIOR WALLS
- R-30 AT EXPOSED FLOORS AND ROOF
- RESILIENT VINYL FLOORING
- COVERED ENTRY
- INDIVIDUAL VRF AIR CONDITIONING UNIT W/ CONTROLS
- AUTOMATIC SPRINKLER SYSTEM THROUGHOUT
- HIGH EFFICIENCY TOILETS
- LOW FLOW FAUCETS AND SHOWER HEAD
- BUILT-IN HEADBOARD & NIGHTSTAND
- BUILT-IN RECESSED SHELVES
- WI-FI INTERNET / PHONE ACCESS
UNIT AMENITIES

- ENERGY STAR MICROWAVE & REFRIGERATOR
- ENERGY STAR LIGHTING
- WINDOW COVERINGS PROVIDED
- R-15 INSULATION AT EXTERIOR WALLS
- R-30 AT EXPOSED FLOORS AND ROOF
- RESILIENT VINYL FLOORING
- COVERED ENTRY
- INDIVIDUAL VRF AIR CONDITIONING UNIT W/ CONTROLS
- AUTOMATIC SPRINKLER SYSTEM THROUGHOUT
- HIGH EFFICIENCY TOILETS
- LOW FLOW FAUCETS AND SHOWER HEAD
- BUILT-IN HEADBOARD & NIGHTSTAND
- BUILT-IN RECESSED SHELVES
- WI-FI INTERNET / PHONE ACCESS
LOW SLOPE TPO ROOFS TO DRAIN INTO LEADER HEADS AND DOWNSPOUTS. 1/4" PER 12" PITCH TYPICAL

METAL PANEL

CONCRETE MASONRY UNIT

AT ENTRY

LEADER HEAD AND DOWNSPOUT

METAL PANEL

CONCRETE MASONRY UNIT

ALUMINUM STOREFRONT

AT SOUTH EAST PR. LINE

61% METAL PANEL
10% ALUMINUM STOREFRONT
29% CONCRETE MASONRY UNIT

LEADER HEAD AND DOWNSPOUT

METAL PANEL

CONCRETE MASONRY UNIT

ALUMINUM STOREFRONT

AT STREET

63% METAL PANEL
11% ALUMINUM STOREFRONT
26% CONCRETE MASONRY UNIT

LEADER HEAD AND DOWNSPOUT

METAL PANEL

CONCRETE MASONRY UNIT

ALUMINUM STOREFRONT

AT DRIVE ENTRY

63% METAL PANEL
20% ALUMINUM STOREFRONT
17% CONCRETE MASONRY UNIT

LOW SLOPE TPO ROOFS TO DRAIN INTO LEADER HEADS AND DOWNSPOUTS. 1/4" PER 12" PITCH TYPICAL

METAL PANEL
LOW SLOPE TPO ROOFS TO DRAIN INTO LEADER HEADS AND DOWNSPOUTS. 1/4" PER 12" PITCH TYPICAL

FIBER CEMENT SIDING

STUCCO

CONCRETE MASONRY UNIT

75% FIBER CEMENT LAP SIDING
23% STUCCO
2% CONCRETE MASONRY UNIT

COURTYARD SOUTH

81% FIBER CEMENT LAP SIDING
17% FIBER CEMENT PANEL
2% CONCRETE MASONRY UNIT

EXTERIOR ELEVATIONS

NEW HOPE HOUSING DALE CARNEGIE

NOT FOR REGULATORY APPROVAL, PERMITTING OR CONSTRUCTION
CONCRETE MASONRY UNIT
FIBER CEMENT SIDING

FIBER CEMENT PANEL
LOW SLOPE TPO ROOFS TO DRAIN INTO LEADER HEADS AND DOWNSPOUTS. 1/4" PER 12" PITCH TYPICAL

PERFORATED METAL

LOW SLOPE TPO ROOFS TO DRAIN INTO LEADER HEADS AND DOWNSPOUTS. 1/4" PER 12" PITCH TYPICAL

79% FIBER CEMENT LAP SIDING
21% FIBER CEMENT PANEL

9' - 0"
9' - 0"
9' - 0"
10' - 0"
48' - 11 1/4"

COURTYARD EAST

COURTYARD WEST

79% FIBER CEMENT LAP SIDING
21% FIBER CEMENT PANEL

45% FIBER CEMENT LAP SIDING
46% CONCRETE MASONRY UNIT
9% PERFORATED METAL

COURTYARD ELEVATIONS

NEW HOPE HOUSING DALE CARNEGIE

NOT FOR REGULATORY APPROVAL, PERMITTING OR CONSTRUCTION

DATE: 26 FEB 2018
JOB #: 1801NWH
SCALE: 3/64" = 1'-0"
EXHIBIT F-1
Form: Lien Waiver/Release and Bills Paid Affidavit
(Interim Payments)

[See Attached]
EXHIBIT F-1

CONDITIONAL WAIVER AND RELEASE ON PROGRESS PAYMENT

Project: New Hope Housing ____________

On receipt by the signer of this document of a check from ________________ in the sum of $______________ payable to ________________ and when the check has been properly endorsed and has been paid by the bank on which it is drawn, this document becomes effective to release any mechanic’s lien right, any rights arising from a payment bond that complies with a state or federal statute, any common law payment bond right, any claim for payment, and any rights under any similar ordinance, rule, or statute related to claim or payment rights for person in the signer’s position that the signer has on the property of DALE CARNEGIE SRO, LTD located at the southeast corner of Dale Carnegie Lane and Regency Square Boulevard, HOUSTON, TX 77036 to the following extent: NEW CONSTRUCTION OF NEW HOPE HOUSING DALE CARNEGIE PROJECT.

This release covers a progress payment for all labor, services, equipment, or materials furnished to the property or to ________________ as indicated in the attached statements(s) or progress payment request(s), except for unpaid retention, pending modifications and changes, or other items furnished.

Before any recipient of this document relies on this document, the recipient should verify evidence of payment to the signer.

The signer warrants that the signer has already paid or will use the funds received from this progress payment to promptly pay in full all of the signer’s laborers, subcontractors, materialmen, and suppliers for all work, materials, equipment, or services provided for or to the above referenced project in regard to the attached statement(s) or progress payment request(s).

Date: ______________________

__________________________ (Company name)

By ________________________ (Signature)

__________________________ (Title)

STATE OF TEXAS

§

§

COUNTY OF HARRIS

§

This instrument was acknowledged before me on this ________day of ____________, 2016, by ______________________ of ______________________.

NOTARY PUBLIC STATE OF TEXAS
EXHIBIT F-2
Form: Lien Waiver/Release and Bills Paid Affidavit
(Final Payment)

[See Attached]
EXHIBIT F-2
CONDITIONAL WAIVER AND RELEASE ON FINAL PAYMENT

Project: New Hope Housing ____________

On receipt by the signer of this document of a check from ________________ in the sum of $______________ payable to ________________ and when the check has been properly endorsed and has been paid by the bank on which it is drawn, this document becomes effective to release any mechanic’s lien right, any rights arising from a payment bond that complies with a state or federal statute, any common law payment bond right, any claim for payment, and any rights under any similar ordinance, rule, or statute related to claim or payment rights for person in the signer’s position that the signer has on the property of DALE CARNEGIE SRO, LTD located at the southeast corner of Dale Carnegie Lane and Regency Square Boulevard, HOUSTON, TX 77036 to the following extent: NEW CONSTRUCTION OF NEW HOPE HOUSING DALE CARNEGIE PROJECT.

This release covers the final payment to the signer for all labor, services, equipment, or materials furnished to the property or to ________________.

Before any recipient of this document relies on this document, the recipient should verify evidence of payment to the signer.

The signer warrants that the signer has already paid or will use the funds received from this final payment to promptly pay in full all of the signer’s laborers, subcontractors, materialmen, and suppliers for all work, materials, equipment, or services provided for or to the above referenced project up to the date of this waiver and release.

Date: ______________________

_________________________ (Company name)
By ________________________ (Signature)
_________________________ (Title)

STATE OF TEXAS §

COUNTY OF ___________ §

This instrument was acknowledged before me on this _______ day of ____________, 2016, by ____________________, of ____________________.

________________________________
NOTARY PUBLIC STATE OF TEXAS
EXHIBIT G

Owner's Financing Disclosure

[See Attached]
EXHIBIT G

OWNER’S FINANCING DISCLOSURE

Pursuant to Chapter 56, Texas Business and Commerce Code, DALE CARNEGIE SRO, LTD. ("Owner") hereby provides the following information to HOUSTON AREA COMMUNITY DEVELOPMENT CORPORATION ("Contractor"), for it and its subcontractors, with reference to the financing of the construction of the NEW HOPE HOUSING DALE CARNEGIE PROJECT ("Project"):

(1) The Owner’s address and telephone number are 1117 Texas Avenue, Houston, Texas 77002, 713.222.0290

(2) The property on which the improvements are being constructed is legal described as set forth on Exhibit A which is attached hereto and made a part hereof for all purposes.

(3) Bonds: Information to be furnished by Contractor upon request.

(4) Owner’s sources of funding (for construction costs and soft costs of development) include the following:

THE FINANCING DISCLOSURE INFORMATION WILL BE COMPLETED AND FURNISHED AS PART OF THE GMP AMENDMENT.

Dated: ____________________

OWNER

By: Dale Carnegie SRO, Ltd., a Texas limited partnership

By: NHH Dale Carnegie, LLC, a Texas limited liability company, its general partner

By: Houston Area Community Development Corporation, a Texas nonprofit corporation, its sole member

By: ________________________

Joy Horak-Brown, President and CEO

Attached: Exhibit A – Legal Description
EXHIBIT H

Insurance Requirements

1. **Contractor's Commercial General Liability** (combined single Limit for Bodily Injury and Property Damage Liability). Contractor shall provide and maintain and/or shall cause its Prime Subcontractor to provide and maintain this coverage in accordance with the terms hereof and as set forth in the General Conditions. This policy shall include the following coverages at the following minimum limits:

   - $2,000,000 General Aggregate
   - $2,000,000 Products/Completed Operations Aggregate
   - $1,000,000 Personal and Advertising Injury
   - $1,000,000 Each occurrence

2. **Contractor's Business Automobile Liability**. Contractor shall provide and maintain and/or cause its Prime Subcontractor to provide and maintain this coverage on a standard form (approved by the Texas Department of Insurance) written to cover all owned, hired and non-owned automobiles, subject to the following minimum limits:

   - $1,000,000 Each occurrence and Each Accident for Bodily Injury
   - $1,000,000 Property Damage Liability

   or $1,000,000 Combined Single Limit Each Accident

3. **Workers' Compensation**. Contractor shall provide and maintain during the term of the Work statutory Workers' Compensation Insurance Coverage [as defined in Sec. 402.011(44) of the Texas Labor Code (1995)] for all of Contractor's workers at the site of the project. Contractor shall also require its Prime Subcontractor to provide and maintain during the term of the Work statutory Workers' Compensation Insurance Coverage [as defined in Sec. 402.011(44) of the Texas Labor Code (1995)] for all of Prime Subcontractor's workers at the site of the project.

4. **Prime Subcontractor's Sub-Subcontractor Requirements**. Contractor shall cause its Prime Subcontractor to provide and maintain through a controlled insurance program ("CIP") or shall require Prime Subcontractor to require each of its Sub-subcontractors performing Work at the site of the Project to provide and maintain the following liability coverages:
a. **Commercial General Liability.** For each such Sub-subcontractor contracting with Prime Subcontractor to furnish labor and/or materials for a subcontract price of $100,000.00, or greater -- such coverage with the same minimum limits as the Prime Subcontractor is required to furnish under subsection 1 above.

For each such Sub-subcontractor contracting with Prime Subcontractor to furnish labor and/or materials for a subcontract price less than $100,000.00 -- such coverage as required by the Prime Subcontractor.

b. **Business Automobile Liability.** For each such Sub-subcontractor contracting with Prime Subcontractor to furnish labor and/or materials for a subcontract price of $100,000.00, or greater -- such coverage with the same minimum limits as the Prime Subcontractor is required to furnish under subsection 1 above.

For each such Sub-subcontractor contracting with Prime Subcontractor to furnish labor and/or materials for a subcontract price less than $100,000.00 -- such coverage as required by the Prime Subcontractor.

c. **Workers' Compensation.** Each such Sub-subcontractor shall provide and maintain statutory Workers' Compensation Insurance Coverage [as defined in Sec. 402.011(44) of the Texas Labor Code (1995)] for all of such Sub-subcontractors' workers at the site of the Project.
EXHIBIT I

City of Houston Construction Contract Requirements

See Attached as follows:

1. City of Houston MWBE & SBE Participation Goals

2. Davis-Bacon Wage Decision Letter

3. City of Houston and Community Development Department Compliance Packet for Section 3, Davis-Bacon and Related Acts, and MWSBE
CITY OF HOUSTON MWBE & SBE PARTICIPATION GOALS

The following excerpts from the Loan Agreement between the City and the Owner set forth the participation goals applicable to this Contract:

K. It is the City’s policy to ensure that Small Business Enterprises (“SBEs”) have the full opportunity to compete for and participate in City-funded contracts (“SBE Policies”), and as otherwise provided for in public information available from the Director or the City. The objectives of the City’s SBE Policies, relating to City-wide Percentage Goals for contracting with SBEs (as codified in Chapter 15, Article V of the City’s Code of Ordinances) are hereby incorporated into this Agreement, as the same may be applicable to the construction of the Project from time to time. Borrower shall cause Owner to require and Owner shall require its contractors and/or subcontractors to make good faith efforts to award subcontracts or supply agreements in at least eight percent (8.0%) of the Loan Amount to SBEs (“SBE Goal”). The City’s SBE Policies do not require Owner or its contractors to in fact meet or exceed the SBE Goal, but it does require Owner and its contractors and/or subcontractors to objectively demonstrate that they have made good faith efforts to do so (“Good Faith Efforts”) and that notwithstanding such efforts, they were unable to meet or exceed the determined participation levels by periodically submitting reports to the Director in the form and at the times prescribed by the Director and by otherwise complying with the City’s Good Faith Efforts procedures. The version of the SBE Policies in effect at the date of Closing of the City’s Loan shall supersede the requirements set forth in the Appendices and, prior to Closing, upon request of Borrower, the Director may consent to an amendment of the SBE Goal, provided that the requirements of the SBE Policies are satisfied.

L. It is the City’s policy to ensure that Minority Business Enterprises (“MBEs”) and Women Business Enterprises (“WBEs”) have the full opportunity to compete for and participate in City-funded contracts (“MBE/WBE Policies”), and as otherwise provided for in public information available from the Director or the City. The objectives of the City’s MBE/WBE Policies (as codified in Chapter 15, Article V of the City’s Code of Ordinances), relating to City-wide Percentage Goals...
for contracting with MBEs/WBEs are hereby incorporated into this Agreement, as the same may be applicable to the construction of the Project from time to time. Borrower shall cause Owner to require and Owner shall require its contractors and/or subcontractors to make good faith efforts to award subcontracts or supply agreements in at least fifteen percent (15.0%) of the Loan Amount to MBEs/WBEs ("MBE/WBE Goal"). The City’s MBE/WBE Policies do not require Owner or its contractors and/or subcontractors to in fact meet or exceed the MBE/WBE Goal, but it does require them to objectively demonstrate that they have made Good Faith Efforts to do so and that notwithstanding such efforts, they were unable to meet or exceed the determined participation levels by periodically submitting reports to the Director in the form and at the times prescribed by City’s designated Affirmative Action official and by otherwise complying with the City’s Good Faith Efforts procedures. The version of the MBE/WBE Policies in effect at the date of Closing of the City’s Loan shall supersede the requirements set forth in the Appendices and, prior to Closing, upon request of Borrower, the Director may consent to an amendment of the MBE/WBE Goal, provided that the requirements of the MBE/WBE Policies are satisfied.
for the following PROJECT:
(Name and location or address)

New Hope Housing Dale Carnegie Project
Dale Carnegie Lane at Regency Square Boulevard
Houston, TX 7703

THE OWNER:
(Name and address)

Dale Carnegie SRO, Ltd.,
1117 Texas Avenue
Houston, TX 77002

THE CONTRACTOR:

Houston Area Community Development Corporation
1117 Texas Avenue
Houston, Texas 77002

THE ARCHITECT:
(Name and address)

Glassman Shoemake Maldonado Architects (d/b/a GSMA)
5305 Jackson
Houston, TX 77004

THE PRIME SUBCONTRACTOR:

Camden Builders, Inc.
11 Greenway Plaza, Suite 2400
Houston, Texas 77046

TABLE OF ARTICLES

1 GENERAL PROVISIONS
2 OWNER
3 CONTRACTOR
4 ARCHITECT
5 SUBCONTRACTORS
6 CONSTRUCTION BY OWNER OR BY SEPARATE CONTRACTORS
7 CHANGES IN THE WORK

ADDITIONS AND DELETIONS:
The author of this document has added information needed for its completion. The author may also have revised the text of the original AIA standard form. An Additions and Deletions Report that notes added information as well as revisions to the standard form text is available from the author and should be reviewed. A vertical line in the left margin of this document indicates where the author has added necessary information and where the author has added to or deleted from the original AIA text.

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.
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ARTICLE 1  GENERAL PROVISIONS
§ 1.1 BASIC DEFINITIONS
§ 1.1.1 THE CONTRACT DOCUMENTS
The Contract Documents are enumerated in the Agreement between the Owner and Contractor (hereinafter the Agreement) and consist of the Agreement, Conditions of the Contract (General, Supplementary and other Conditions), Drawings, Specifications, Addenda issued prior to execution of the Contract, other documents listed in the Agreement and Modifications issued after execution of the Contract. A Modification is (1) a written amendment to the Contract signed by both parties, (2) a Change Order, or (3) a Construction Change Directive. Unless specifically enumerated in the Agreement, the Contract Documents do not include the advertisement or invitation to bid, Instructions to Bidders, sample forms, other information furnished by the Owner in anticipation of receiving bids or proposals, the Contractor's bid or proposal, or portions of Addenda relating to bidding requirements.

§ 1.1.2 THE CONTRACT
The Contract Documents form the Contract for Construction. The Contract represents the entire and integrated agreement between the parties hereto and supersedes prior negotiations, representations or agreements, either written or oral. The Contract may be amended or modified only by a Modification. The Contract Documents shall not be construed to create a contractual relationship of any kind (1) between the Contractor and the Architect or the Architect’s consultants, (2) between the Owner and a Subcontractor or a Sub-subcontractor, (3) between the Owner and the Architect or the Architect’s consultants or (4) between any persons or entities other than the Owner and the Contractor.

§ 1.1.3 THE WORK
The term "Work" means the construction and services required by the Contract Documents, whether completed or partially completed, and includes all other labor, materials, equipment and services provided or to be provided by the Contractor through its Prime Subcontractor to fulfill the Contractor’s obligations. The Work may constitute the whole or a part of the Project.

§ 1.1.4 THE PROJECT
The Project is the total construction of which the Work performed under the Contract Documents may be the whole or a part and which may include construction by the Owner and by separate contractors.

§ 1.1.5 THE DRAWINGS
The Drawings are the graphic and pictorial portions of the Contract Documents showing the design, location and dimensions of the Work, generally including plans, elevations, sections, details, schedules and diagrams.

§ 1.1.6 THE SPECIFICATIONS
The Specifications are that portion of the Contract Documents consisting of the written requirements for materials, equipment, systems, standards and workmanship for the Work, and performance of related services.

§ 1.1.7 INSTRUMENTS OF SERVICE
Instruments of Service are representations, in any medium of expression now known or later developed, of the tangible and intangible creative work performed by the Architect and the Architect’s consultants under their respective professional services agreements. Instruments of Service may include, without limitation, studies, surveys, models, sketches, drawings, specifications, and other similar materials.

§ 1.1.8 INITIAL DECISION MAKER
The Initial Decision Maker is the person, if any, identified in the Agreement to render initial decisions on Claims in accordance with Section 15.2 and certify termination of the Agreement under Section 14.2.2.

§ 1.2 CORRELATION AND INTENT OF THE CONTRACT DOCUMENTS
§ 1.2.1 The Contract Documents are complementary, and what is required by one shall be as binding as if required by all; performance by the Contractor shall be required only to the extent consistent with the Contract Documents and reasonably inferable from them as being necessary to produce the indicated results.

§ 1.2.2 Organization of the Specifications into divisions, sections and articles, and arrangement of Drawings shall not control the Contractor in dividing the Work among Subcontractors or in establishing the extent of Work to be performed by any trade.
§ 1.2.3 Unless otherwise stated in the Contract Documents, words that have well-known technical or construction industry meanings are used in the Contract Documents in accordance with such recognized meanings.

§ 1.3 CAPITALIZATION
Terms capitalized in these General Conditions include those that are (1) specifically defined, (2) the titles of numbered articles or (3) the titles of other documents published by the American Institute of Architects.

§ 1.4 INTERPRETATION
In the interest of brevity the Contract Documents frequently omit modifying words such as "all" and "any" and articles such as "the" and "an," but the fact that a modifier or an article is absent from one statement and appears in another is not intended to affect the interpretation of either statement.

§ 1.5 OWNERSHIP AND USE OF DRAWINGS, SPECIFICATIONS AND OTHER INSTRUMENTS OF SERVICE
§ 1.5.1 The parties so identified in the respective design agreements shall be deemed the authors and owners of the respective Instruments of Service, including the Drawings and Specifications, and will retain all common law, statutory and other reserved rights, including copyrights. The Contractor, Subcontractors, Sub-subcontractors, and material or equipment suppliers shall not own or claim a copyright in the Instruments of Service, except to the extent the Contractor or its Subcontractors or Sub-subcontractors prepare or modify such Instruments of Service as provided in the Contract Documents. Submittal or distribution to meet official regulatory requirements or for other purposes in connection with this Project is not to be construed as publication in derogation of the Architect’s or Architect’s consultants’ reserved rights.

§ 1.5.2 The Contractor, Subcontractors, Sub-subcontractors and material or equipment suppliers are authorized to use and reproduce the Instruments of Service provided to them solely and exclusively for execution of the Work. All copies made under this authorization shall bear the copyright notice, if any, shown on the Instruments of Service. The Contractor, Subcontractors, Sub-subcontractors, and material or equipment suppliers may not use the Instruments of Service on other projects or for additions to this Project outside the scope of the Work without the specific written consent of the Owner.

§ 1.6 TRANSMISSION OF DATA IN DIGITAL FORM
If the parties intend to transmit Instruments of Service or any other information or documentation in digital form, they shall endeavor to establish necessary protocols governing such transmissions, unless otherwise already provided in the Agreement or the Contract Documents.

ARTICLE 2 OWNER
§ 2.1 GENERAL
§ 2.1.1 The Owner is the person or entity identified as such in the Agreement and is referred to throughout the Contract Documents as if singular in number. The Owner shall designate in writing a representative who shall have express authority to bind the Owner with respect to all matters requiring the Owner’s approval or authorization. Except as otherwise provided in Section 4.2.1, the Architect does not have such authority. The term "Owner" means the Owner or the Owner’s authorized representative.

§ 2.1.2 The Owner shall furnish to the Contractor within fifteen days after receipt of a written request, information necessary and relevant for the Contractor to evaluate, give notice of or enforce mechanic’s lien rights. Such information shall include a correct statement of the record legal title to the property on which the Project is located, usually referred to as the site, and the Owner’s interest therein.

§ 2.2 INFORMATION AND SERVICES REQUIRED OF THE OWNER
§ 2.2.1 Prior to commencement of the Work, the Contractor may request in writing that the Owner provide reasonable evidence in conformity with the requirements set forth in Section 35.521 Texas Business and Commerce Code (2007), that the Owner has made financial arrangements to fulfill the Owner’s obligations under the Contract. Thereafter, the Contractor may only request such evidence if (1) the Owner fails to make payments to the Contractor as the Contract Documents require; (2) a change in the Work materially changes the Contract Sum; or (3) the Contractor identifies in writing a reasonable concern regarding the Owner’s ability to make payment when due. The Owner shall furnish such evidence as a condition precedent to commencement or continuation of the Work or the portion of the Work affected.
by a material change. After the Owner furnishes the evidence, the Owner shall not materially vary such financial arrangements without prior notice to the Contractor.

§ 2.2.2 Owner shall secure and pay for necessary approvals, easements, assessments and charges required for construction, use or occupancy of permanent structures or for permanent changes in existing facilities.

§ 2.2.3 The Owner shall furnish surveys describing physical characteristics, legal limitations and utility locations for the site of the Project, and a legal description of the site. The Contractor shall be entitled to rely on the accuracy of information furnished by the Owner but shall exercise proper precautions relating to the safe performance of the Work.

§ 2.2.4 The Owner shall furnish information or services required of the Owner by the Contract Documents with reasonable promptness. The Owner shall also furnish any other information or services under the Owner’s control and relevant to the Contractor’s performance of the Work with reasonable promptness after receiving the Contractor’s written request for such information or services.

§ 2.2.5 Unless otherwise provided in the Contract Documents, the Owner shall furnish to the Contractor one copy of the Contract Documents for purposes of making reproductions pursuant to Section 1.5.2.

§ 2.3 OWNER’S RIGHT TO STOP THE WORK
If the Contractor fails to correct Work that is not in accordance with the requirements of the Contract Documents as required by Section 12.2 or repeatedly fails to carry out Work in accordance with the Contract Documents, the Owner may issue a written order to the Contractor to stop the Work, or any portion thereof, until the cause for such order has been eliminated; however, the right of the Owner to stop the Work shall not give rise to a duty on the part of the Owner to exercise this right for the benefit of the Contractor or any other person or entity, except to the extent required by Section 6.1.3.

§ 2.4 OWNER’S RIGHT TO CARRY OUT THE WORK
If the Contractor defaults or neglects to carry out the Work in accordance with the Contract Documents and fails within a ten-day period after receipt of written notice from the Owner to commence and continue correction of such default or neglect with diligence and promptness, the Owner may, without prejudice to other remedies the Owner may have, correct such deficiencies. In such case an appropriate Change Order shall be issued deducting from payments then or thereafter due the Contractor the reasonable cost of correcting such deficiencies, including compensation for the Architect’s additional services made necessary by such default, neglect or failure. Such action by the Owner and amounts charged to the Contractor are both subject to prior approval of the Architect. If payments then or thereafter due the Contractor are not sufficient to cover such amounts, the Contractor shall pay the difference to the Owner.

ARTICLE 3 CONTRACTOR
§ 3.1 GENERAL
§ 3.1.1 The Contractor is the person or entity identified as such in the Agreement and is referred to throughout the Contract Documents as if singular in number. The Contractor shall designate in writing a representative who shall have express authority to bind the Contractor with respect to all matters under this Contract. The term “Contractor” means the Contractor or the Contractor’s authorized representative.

§ 3.1.2 The Contractor shall, through its Prime Subcontractor, perform the Work in accordance with the Contract Documents.

§ 3.1.3 The Contractor shall not be relieved of obligations to perform the Work in accordance with the Contract Documents by tests, inspections or approvals required or performed by persons or entities other than the Contractor.

§ 3.2 REVIEW OF CONTRACT DOCUMENTS AND FIELD CONDITIONS BY CONTRACTOR
§ 3.2.1 Execution of the Contract by the Contractor is a representation that the Contractor has visited the site, become generally familiar with the local conditions under which the Work is to be performed and correlated personal observations with requirements of the Contract Documents.

§ 3.2.2 The Contractor shall, before starting each portion of the Work, carefully review the various Contract Documents relative to that portion of the Work, as well as the information furnished by the Owner pursuant to Section

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2.2.3, shall take field measurements of any existing conditions related to that portion of the Work, and shall observe any conditions at the site affecting it. These obligations are for the purpose of facilitating coordination and construction by the Contractor and are not for the purpose of discovering errors, omissions, or inconsistencies in the Contract Documents; however, the Contractor shall promptly report to the Architect any errors, inconsistencies or omissions discovered by or made known to the Contractor (including but not limited to inconsistencies between the Drawings and the Specifications) as a request for information in such form as the Architect may reasonably require. It is recognized that the Contractor’s review is made in the Contractor’s capacity as a contractor and not as a licensed design professional, unless otherwise specifically provided in the Contract Documents.

§ 3.2.3 The Contractor is not required to ascertain that the Contract Documents are in accordance with applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of public authorities, but the Contractor shall promptly report to the Architect any nonconformity discovered by or made known to the Contractor as a request for information in such form as the Architect may require.

§ 3.2.4 If the Contractor believes that additional cost or time is involved because of clarifications or instructions the Architect issues in response to the Contractor’s notices or requests for information pursuant to Sections 3.2.2 or 3.2.3, the Contractor shall make Claims as provided in Article 15. If the Contractor fails to perform the obligations of Sections 3.2.2 or 3.2.3, the Contractor shall pay such costs and damages to the Owner as would have been avoided if the Contractor had performed such obligations. If the Contractor performs those obligations, the Contractor shall not be liable to the Owner or Architect for damages resulting from errors, inconsistencies or omissions in the Contract Documents, for differences between field measurements or conditions and the Contract Documents, or for nonconformities of the Contract Documents to applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities.

§ 3.3 SUPERVISION AND CONSTRUCTION PROCEDURES

§ 3.3.1 The Contractor shall supervise and direct the Work, using the Contractor’s best skill and attention. The Contractor shall be solely responsible for, and have control over, construction means, methods, techniques, sequences and procedures and for coordinating all portions of the Work under the Contract, unless the Contract Documents give other specific instructions concerning these matters.

§ 3.3.2 The Contractor shall be responsible to the Owner for acts and omissions of the Contractor’s employees, Subcontractors and their agents and employees, and other persons or entities performing portions of the Work for, or on behalf of, the Contractor or any of its Subcontractors.

§ 3.3.3 The Contractor shall be responsible for inspection of portions of Work already performed to determine that such portions are in proper condition to receive subsequent Work.

§ 3.4 LABOR AND MATERIALS

§ 3.4.1 Unless otherwise provided in the Contract Documents, the Contractor shall provide and pay for labor, materials, equipment, tools, construction equipment and machinery, water, heat, utilities, transportation, and other facilities and services necessary for proper execution and completion of the Work, whether temporary or permanent and whether or not incorporated or to be incorporated in the Work.

§ 3.4.2 The Contractor may make substitutions only with the consent of the Owner and in accordance with a Change Order or Construction Change Directive.

§ 3.4.3 The Contractor shall enforce strict discipline and good order among the Contractor’s employees and other persons carrying out the Work. The Contractor shall not permit employment of unfit persons or persons not properly skilled in tasks assigned to them.

§ 3.5 WARRANTY

§ 3.5.1 The Contractor warrants to the Owner that materials and equipment furnished under the Contract will be of good quality and new unless the Contract Documents require or permit otherwise. The Contractor further warrants that the Work will conform to the requirements of the Contract Documents and will be free from defects, except for those inherent in the quality of the Work the Contract Documents require or permit. Work, materials, or equipment not conforming to these requirements may be considered nonconforming. The Contractor’s warranty excludes remedy for damage or defect caused by abuse, alterations to the Work not executed by the Contractor, improper or insufficient
maintenance, improper operation, or normal wear and tear and normal usage. If required by the Architect, the Contractor shall furnish satisfactory evidence as to the kind and quality of materials and equipment. **OTHER THAN THE FOREGOING, THE CONTRACTOR MAKES NO OTHER WARRANTY, REPRESENTATION, OR GUARANTEE, WHETHER EXPRESSED OR IMPLIED, AND SUCH ARE EXPRESSLY DISCLAIMED.**

§ 3.5.2 Upon payment by Owner, Contractor warrants that it shall deliver good title to all materials, supplies and equipment installed or incorporated in the Work for which such payment is received and upon completion thereof shall deliver the premises with all improvements to Owner fee and clear from any claims, liens or charges.

§ 3.5.3 Contractor will assign to Owner manufacturers’, suppliers’ and subcontractors’ warranties on materials, equipment and fixtures and labor incorporated in the Work. Contractor’s delivery to Owner of all warranty guarantees required by the Specifications is required as a prerequisite to the final payment.

§ 3.5.4 Neither inspection nor payment (including final payment) by Owner, shall be deemed to be a waiver or release of Contractor with respect to its obligations to remedy any defect in the Work in accordance with the Contract Documents.

§ 3.6 **TAXES**
The Contractor shall pay consumer, use and similar taxes for the Work provided by the Contractor that are legally enacted when bids are received or negotiations concluded, whether or not yet effective or merely scheduled to go into effect.

§ 3.7 **PERMITS, FEES, NOTICES, AND COMPLIANCE WITH LAWS**

§ 3.7.1 The Owner shall secure and pay for those permits, fees, licenses, and inspections, including the building permit as well as such other permits, fees, and inspections as specifically required by the Contract Documents.

§ 3.7.2 The Contractor shall comply with and give notices required by applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities applicable to performance of the Work.

§ 3.7.3 If the Contractor performs Work knowing it to be contrary to applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of public authorities, the Contractor shall assume appropriate responsibility for such Work and shall bear the costs attributable to correction.

§ 3.7.4 **Concealed or Unknown Conditions.** If the Contractor encounters conditions at the site that are (1) subsurface or otherwise concealed physical conditions that differ materially from those indicated in the Contract Documents or (2) unknown physical conditions of an unusual nature, that differ materially from those ordinarily found to exist and generally recognized as inherent in construction activities of the character provided for in the Contract Documents, the Contractor shall promptly provide notice to the Owner and the Architect before conditions are disturbed and in no event later than 21 days after first observance of the conditions. If the conditions encountered are materially different, the Contract Sum and Contract Time shall be equitably adjusted, but if the Owner, the Contractor, and the Prime Subcontractor cannot agree on an adjustment in the Contract Sum or Contract Time, the adjustment may be referred to the Architect for initial determination as provided herein. The Architect will promptly investigate such conditions and, if the Architect determines that they differ materially and cause an increase or decrease in the Contractor’s cost of, or time required for, performance of any part of the Work, will recommend an equitable adjustment in the Contract Sum or Contract Time, or both. If the Architect determines that the conditions at the site are not materially different from those indicated in the Contract Documents and that no change in the terms of the Contract is justified, the Architect shall promptly notify the Owner and Contractor in writing, stating the reasons. If either party disputes the Architect’s determination or recommendation, that party may proceed as provided in Article 15.

§ 3.7.5 If, in the course of the Work, the Contractor encounters human remains or recognizes the existence of burial markers, archaeological sites or wetlands not indicated in the Contract Documents, the Contractor shall immediately suspend any operations that would affect them and shall notify the Owner and Architect. Upon receipt of such notice, the Owner shall promptly take any action necessary to obtain governmental authorization required to resume the operations. The Contractor shall continue to suspend such operations until otherwise instructed by the Owner but shall continue with all other operations that do not affect those remains or features. Requests for adjustments in the Contract Sum and Contract Time arising from the existence of such remains or features may be made as provided in Article 15.

User Notes:
§ 3.8 ALLOWANCES

§ 3.8.1 The Contractor shall include in the Contract Sum all allowances stated in the Contract Documents. Items covered by allowances shall be supplied for such amounts and by such persons or entities as the Owner may direct, but the Contractor shall not be required to employ persons or entities to whom the Contractor has reasonable objection.

§ 3.8.2 Unless otherwise provided in the Contract Documents,

.1 allowances shall cover the cost to the Contractor of materials and equipment delivered at the site and all required taxes, less applicable trade discounts;

.2 Contractor’s costs for unloading and handling at the site, labor, installation costs, overhead, profit and other expenses contemplated for stated allowance amounts shall be included in the allowances; and

.3 whenever costs are more than or less than allowances, the Contract Sum shall be adjusted accordingly by Change Order. The amount of the Change Order shall reflect the difference between actual costs and the allowances under Section 3.8.2.1 and Section 3.8.2.2.

§ 3.8.3 Materials and equipment under an allowance shall be selected by the Owner in sufficient time to avoid delay in the Work.

§ 3.9 SUPERINTENDENT

§ 3.9.1 The Contractor shall employ or cause its Prime Subcontractor to employ a competent superintendent and necessary assistants who shall be in attendance at the Project site during performance of the Work. The superintendent shall represent the Contractor (or the Prime Subcontractor as applicable), and communications given to the superintendent shall be as binding as if given to the Contractor (or the Prime Subcontractor as applicable). Important communications shall be confirmed in writing. Other communications shall be similarly confirmed on written request in each case.

§ 3.9.2 [Intentionally omitted.]

§ 3.9.3 [Intentionally omitted.]

§ 3.10 CONTRACTOR’S CONSTRUCTION SCHEDULES

§ 3.10.1 The Contractor, promptly after being awarded the Contract, shall prepare and submit for the Owner’s and Architect’s information a Contractor’s construction schedule for the Work. The schedule shall not exceed time limits current under the Contract Documents, shall be revised at appropriate intervals as required by the conditions of the Work and Project, shall be related to the entire Project to the extent required by the Contract Documents, and shall provide for expeditious and practicable execution of the Work.

§ 3.10.2 The Contractor shall prepare a submittal schedule, promptly after being awarded the Contract and thereafter as necessary to maintain a current submittal schedule, and shall submit the schedule(s) for the Architect’s approval. The Architect’s approval shall not unreasonably be delayed or withheld. The submittal schedule shall (1) be coordinated with the Contractor’s construction schedule, and (2) allow the Architect reasonable time to review submittals. If the Contractor fails to submit a submittal schedule, the Contractor shall not be entitled to any increase in Contract Sum or extension of Contract Time based on the time required for review of submittals.

§ 3.10.3 The Contractor shall perform the Work in general accordance with the most recent schedules submitted to the Owner and Architect.

§ 3.11 DOCUMENTS AND SAMPLES AT THE SITE

The Contractor shall maintain at the site for the Owner one copy of the Drawings, Specifications, Addenda, Change Orders and other Modifications, in good order and marked currently to indicate field changes and selections made during construction, and one copy of approved Shop Drawings, Product Data, Samples and similar required submittals. These shall be available to the Architect and shall be delivered to the Architect for submittal to the Owner upon completion of the Work as a record of the Work as constructed.
§ 3.12 SHOP DRAWINGS, PRODUCT DATA AND SAMPLES

§ 3.12.1 Shop Drawings are drawings, diagrams, schedules and other data specially prepared for the Work by the Contractor or a Subcontractor, Sub-subcontractor, manufacturer, supplier or distributor to illustrate some portion of the Work.

§ 3.12.2 Product Data are illustrations, standard schedules, performance charts, instructions, brochures, diagrams and other information furnished by the Contractor to illustrate materials or equipment for some portion of the Work.

§ 3.12.3 Samples are physical examples that illustrate materials, equipment or workmanship and establish standards by which the Work will be judged.

§ 3.12.4 [Intentionally omitted.]

§ 3.12.5 The Contractor shall review for compliance with the Contract Documents, approve and submit to the Architect Shop Drawings, Product Data, Samples and similar submittals required by the Contract Documents in accordance with the submittal schedule approved by the Architect or, in the absence of an approved submittal schedule, with reasonable promptness and in such sequence as to cause no delay in the Work or in the activities of the Owner or of separate contractors.

§ 3.12.6 By submitting Shop Drawings, Product Data, Samples and similar submittals, the Contractor represents to the Owner that the Contractor has (1) reviewed and approved them, (2) determined and verified materials, field measurements and field construction criteria related thereto, or will do so and (3) checked and coordinated the information contained within such submittals with the requirements of the Work and of the Contract Documents. The Contractor, in making this representation, is relying on the Architect’s having fully coordinated the design documents.

§ 3.12.7 The Contractor shall perform no portion of the Work for which the Contract Documents require submittal and review of Shop Drawings, Product Data, Samples or similar submittals until the respective submittal has been approved by the Architect or the Owner.

§ 3.12.8 The Work shall be in accordance with approved submittals. The Contractor shall not be relieved of responsibility for errors or omissions in Shop Drawings, Product Data, Samples or similar submittals by the Architect’s approval thereof, except to the extent Architect discovered such error or omission and failed to notify Contractor.

§ 3.12.9 The Contractor shall direct specific attention, in writing or on resubmitted Shop Drawings, Product Data, Samples or similar submittals, to revisions other than those requested by the Architect on previous submittals. In the absence of such written notice, the Architect’s approval of a resubmission shall not apply to such revisions.

§ 3.12.10 The Contractor shall not be required to provide professional services that constitute the practice of architecture or engineering unless such services are specifically required and set forth by the Contract Documents. The Contractor shall not be required to provide professional services in violation of applicable law. If professional design services or certifications by a design professional are specifically required of the Contractor by the Contract Documents, the Owner and the Architect will specify all performance and design criteria that such services must satisfy. The Contractor shall cause such services or certifications to be provided by a properly licensed design professional, whose signature and seal shall appear on all drawings, calculations, specifications, certifications, Shop Drawings and other submittals prepared by such professional. Shop Drawings and other submittals related to the Work designed or certified by such professional, if prepared by others, shall bear such professional’s written approval when submitted to the Architect. The Owner and the Architect shall be entitled to rely upon the adequacy, accuracy and completeness of the services, certifications and approvals performed or provided by such design professionals, provided the Owner and Architect have specified to the Contractor all performance and design criteria that such services must satisfy. Pursuant to this Section 3.12.10, the Architect will review, approve or take other appropriate action on submittals only for the limited purpose of checking for conformance with information given and the design concept expressed in the Contract Documents. The Contractor shall not be responsible for the adequacy of the performance and design criteria specified in the Contract Documents.
§ 3.13 USE OF SITE
§ 3.13.1 The Contractor shall confine operations at the site to areas permitted by applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities and the Contract Documents and shall not unreasonably encumber the site with materials or equipment.

§ 3.13.2 Contractor shall be responsible for protecting construction materials and equipment stored at the Project Site from weather, theft, damage, and other casualty loss. However, nothing herein shall limit Contractor’s right to recover its damages or loss from insurance furnished in accordance with Article 11 hereof.

§ 3.14 CUTTING AND PATCHING
§ 3.14.1 The Contractor shall be responsible for cutting, fitting or patching required to complete the Work or to make its parts fit together properly.

§ 3.14.2 The Contractor shall not damage or endanger a portion of the Work or fully or partially completed construction of the Owner or separate contractors by cutting, patching or otherwise altering such construction, or by excavation. The Contractor shall not cut or otherwise alter such construction by the Owner or a separate contractor except with written consent of the Owner and of such separate contractor; such consent shall not be unreasonably withheld. The Contractor and its Prime Subcontractor shall not unreasonably withhold from the Owner or a separate contractor the Contractor’s consent to cutting or otherwise altering the Work.

§ 3.15 CLEANING UP
§ 3.15.1 The Contractor shall keep the premises free from accumulation of waste materials or rubbish caused by operations under the Contract. At completion of the Work, the Contractor shall remove waste materials, rubbish, the Contractor’s tools, construction equipment, machinery and surplus materials from and about the Project.

§ 3.15.2 If the Contractor fails to clean up as provided in the Contract Documents, the Owner may do so and Owner shall be entitled to reimbursement from the Contractor.

§ 3.16 ACCESS TO WORK
The Contractor shall provide the Owner and Architect access to the Work in preparation and progress wherever located.

§ 3.17 ROYALTIES, PATENTS AND COPYRIGHTS
The Contractor shall pay all royalties and license fees. The Contractor shall defend suits or claims for infringement of copyrights and patent rights and shall hold the Owner and Architect harmless from loss on account thereof, but shall not be responsible for such defense or loss when a particular design, process or product of a particular manufacturer or manufacturers is required by the Contract Documents, or where the copyright violations are contained in Drawings, Specifications or other documents prepared by the Owner or Architect. However, if the Contractor has reason to believe that the required design, process or product is an infringement of a copyright or a patent, the Contractor shall be responsible for such loss unless such information is promptly furnished to the Architect.

§ 3.18 INDEMNIFICATION
§ 3.18.1 TO THE FULLEST EXTENT PERMITTED BY LAW, THE CONTRACTOR SHALL INDEMNIFY AND HOLD HARMLESS THE OWNER AND ITS AGENTS AND EMPLOYEES OR ANY OF THEM FROM AND AGAINST ACTUAL CLAIMS, DAMAGES, LOSSES AND EXPENSES, INCLUDING BUT NOT LIMITED TO ATTORNEYS’ FEES, ARISING OUT OF OR RESULTING FROM PERFORMANCE OF THE WORK, PROVIDED THAT SUCH CLAIM, DAMAGE, LOSS OR EXPENSE IS ATTRIBUTABLE TO BODILY INJURY, SICKNESS, DISEASE OR DEATH, OR TO INJURY TO OR DESTRUCTION OF TANGIBLE PROPERTY (OTHER THAN THE WORK ITSELF), BUT ONLY TO THE EXTENT CAUSED BY THE NEGLIGENT ACTS OR OMISSIONS OF THE CONTRACTOR, A SUBCONTRACTOR, ANYONE DIRECTLY OR INDIRECTLY EMPLOYED BY THEM OR ANYONE FOR WHOM ACTS THEY MAY BE LIABLE. SUCH OBLIGATION SHALL NOT BE CONSTRUED TO NEGATE, ABRIDGE, OR REDUCE OTHER RIGHTS OR
OBLIGATIONS OF INDEMNITY WHICH WOULD OTHERWISE EXIST AS TO A PARTY OR PERSON DESCRIBED IN THIS SECTION 3.18.

§ 3.18.2 In claims against any person or entity indemnified under this Section 3.18 by an employee of the Contractor, a Subcontractor, anyone directly or indirectly employed by them or anyone for whose acts they may be liable, the indemnification obligation under Section 3.18.1 shall not be limited by a limitation on amount or type of damages, compensation or benefits payable by or for the Contractor or a Subcontractor under workers’ compensation acts, disability benefit acts or other employee benefit acts.

ARTICLE 4 ARCHITECT
§ 4.1 GENERAL
§ 4.1.1 The Owner shall retain an architect lawfully licensed to practice architecture or an entity lawfully practicing architecture in the jurisdiction where the Project is located. That person or entity is identified as the Architect in the Agreement and is referred to throughout the Contract Documents as if singular in number.

§ 4.1.2 Duties, responsibilities and limitations of authority of the Architect as set forth in the Contract Documents shall not be restricted, modified or extended without written consent of the Owner, Contractor, the Prime Subcontractor, and Architect. Consent shall not be unreasonably withheld.

§ 4.1.3 If the employment of the Architect is terminated, the Owner shall employ a successor architect as to whom the Contractor has no reasonable objection and whose status under the Contract Documents shall be that of the Architect.

§ 4.2 ADMINISTRATION OF THE CONTRACT
§ 4.2.1 The Architect will provide administration of the Contract as described in the Contract Documents and will be an Owner’s representative during construction until the date the Architect issues the final Certificate For Payment or, with the Owner’s concurrence, from time to time during the one year for correction of Work described in Article 12. The Architect will have authority to act on behalf of the Owner only to the extent provided in the Contract Documents.

§ 4.2.2 The Architect will visit the site at intervals appropriate to the stage of construction, or as otherwise agreed with the Owner, to become generally familiar with the progress and quality of the portion of the Work completed, and to determine in general if the Work observed is being performed in a manner indicating that the Work is in accordance with the Contract Documents. However, the Architect will not be required to make exhaustive or continuous on-site inspections to check the quality or quantity of the Work. The Architect will not have control over, charge of, or responsibility for, the construction means, methods, techniques, sequences or procedures, or for the safety precautions and programs in connection with the Work, since these are solely the Contractor’s rights and responsibilities under the Contract Documents, except as provided in Section 3.3.1.

§ 4.2.3 The Architect will not be responsible for the Contractor’s failure to perform the Work in accordance with the requirements of the Contract Documents. The Architect will not have control over or charge of and will not be responsible for acts or omissions of the Contractor, Subcontractors, or their agents or employees, or any other persons or entities performing portions of the Work.

§ 4.2.4 COMMUNICATIONS FACILITATING CONTRACT ADMINISTRATION
Communications by and with the Architect’s consultants shall be through the Architect. Communications by and with Subcontractors and material suppliers shall be through the Contractor. Communications by and with separate contractors shall be through the Owner.

§ 4.2.5 Based on the Architect’s evaluations of the Contractor’s Applications for Payment, the Architect will review and certify the amounts due the Contractor and will issue Certificates for Payment in such amounts.

§ 4.2.6 The Architect has authority to reject Work that does not conform to the Contract Documents. Whenever the Architect considers it necessary or advisable, the Architect will have authority to require inspection or testing of the Work in accordance with Sections 13.5.2 and 13.5.3, whether or not such Work is fabricated, installed or completed. However, neither this authority of the Architect nor a decision made in good faith either to exercise or not to exercise such authority shall give rise to a duty or responsibility of the Architect to the Contractor, Subcontractors, material and equipment suppliers, their agents or employees, or other persons or entities performing portions of the Work.
§ 4.2.7 The Architect will review and approve, or take other appropriate action upon, the Contractor’s submittals such as Shop Drawings, Product Data and Samples. The Architect’s action will be taken in accordance with the submittal schedule approved by the Architect or, in the absence of an approved submittal schedule, with reasonable promptness while allowing sufficient time in the Architect’s professional judgment to permit adequate review. Review of such submittals is not conducted for the purpose of determining the accuracy and completeness of other details such as dimensions and quantities, or for substantiating instructions for installation or performance of equipment or systems, all of which remain the responsibility of the Contractor as required by the Contract Documents. The Architect’s review of the Contractor’s submittals shall not relieve the Contractor of the obligations under Sections 3.3, 3.5 and 3.12. The Architect’s review shall not constitute approval of safety precautions or, unless otherwise specifically stated by the Architect, of any construction means, methods, techniques, sequences or procedures. The Architect’s approval of a specific item shall not indicate approval of an assembly of which the item is a component.

§ 4.2.8 Subject to Owner’s written approval, the Architect will prepare Change Orders and Construction Change Directives, and may authorize minor changes in the Work to the extent provided in Section 7.4. The Architect will investigate and make determinations and recommendations regarding concealed and unknown conditions as provided in Section 3.7.4.

§ 4.2.9 The Architect will conduct inspections to determine the date or dates of Substantial Completion and the date of final completion; issue Certificates of Substantial Completion pursuant to Section 9.8; receive and forward to the Owner, for the Owner’s review and records, written warranties and related documents required by the Contract and assembled by the Contractor pursuant to Section 9.10; and issue a final Certificate for Payment pursuant to Section 9.10.

§ 4.2.10 If the Owner and Architect agree, the Architect will provide one or more project representatives to assist in carrying out the Architect’s responsibilities at the site. The duties, responsibilities and limitations of authority of such project representatives shall be as set forth in an exhibit to be incorporated in the Contract Documents.

§ 4.2.11 The Architect will interpret and decide matters concerning performance under, and requirements of, the Contract Documents on written request of the Owner or Contractor or the Prime Subcontractor. The Architect’s response to such requests will be made in writing within any time limits agreed upon or otherwise with reasonable promptness. If no agreement is made concerning the time within which interpretations required of the Architect shall be furnished in compliance with this Section 4.2, then delay shall not be recognized on account of failure by the Architect to furnish such interpretations until 15 days after written request is made for them.

§ 4.2.12 Interpretations and decisions of the Architect will be consistent with the intent of, and reasonably inferable from, the Contract Documents and will be in writing or in the form of drawings. When making such interpretations and decisions, the Architect will endeavor to secure faithful performance by both Owner and Contractor, will not show partiality to either and will not be liable for results of interpretations or decisions rendered in good faith.

§ 4.2.13 The Owner’s decisions on matters relating to aesthetic effect will be final if consistent with the intent expressed in the Contract Documents.

§ 4.2.14 The Architect will review and respond to requests for information about the Contract Documents. The Architect’s response to such requests will be made in writing within any time limits agreed upon or otherwise with reasonable promptness. If appropriate, the Architect will prepare and issue supplemental Drawings and Specifications in response to the requests for information.

ARTICLE 5 SUBCONTRACTORS
§ 5.1 DEFINITIONS
§ 5.1.1 A Subcontractor is a person or entity who has a direct contract with the Contractor to perform a portion of the Work at the site. The term “Subcontractor” is referred to throughout the Contract Documents as if singular in number and means a Subcontractor or an authorized representative of the Subcontractor. The term “Subcontractor” includes the Prime Subcontractor identified in the Agreement but does not include a separate contractor or subcontractors of a separate contractor of the Owner.
§ 5.1.2 A Sub-subcontractor is a person or entity who has a direct or indirect contract with a Subcontractor to perform a portion of the Work at the site. The term “Sub-subcontractor” is referred to throughout the Contract Documents as if singular in number and means a Sub-subcontractor or an authorized representative of the Sub-subcontractor.

§ 5.2 AWARD OF SUBCONTRACTS AND OTHER CONTRACTS FOR PORTIONS OF THE WORK

§ 5.2.1 Unless otherwise stated in the Contract Documents or the bidding requirements, the Contractor, as soon as practicable after award of the Contract, and from time to time thereafter as known, shall furnish in writing to the Owner the names of persons or entities (including those who are to furnish materials or equipment fabricated to a special design) proposed for each principal portion of the Work. The Owner will promptly reply to the Contractor in writing stating whether the Owner has reasonable objection to any such proposed person or entity. Failure of the Owner to reply promptly shall constitute notice of no reasonable objection.

§ 5.2.2 The Contractor shall not contract with a proposed person or entity to whom the Owner has made reasonable and timely objection. The Contractor shall not be required to contract with anyone to whom the Contractor has made reasonable objection.

§ 5.2.3 If the Owner has reasonable objection to a person or entity proposed by the Contractor, the Contractor shall propose another to whom the Owner has no reasonable objection. If the proposed but rejected Subcontractor was reasonably capable of performing the Work, the Contract Sum and Contract Time shall be increased or decreased by the difference, if any, occasioned by such change, and an appropriate Change Order shall be issued before commencement of the substitute Subcontractor’s Work. However, no increase in the Contract Sum or Contract Time shall be allowed for such change unless the Contractor has acted promptly and responsibly in submitting names as required.

§ 5.2.4 The Contractor shall not substitute a Subcontractor, person or entity previously selected if the Owner makes reasonable objection to such substitution.

§ 5.3 SUBCONTRACTUAL RELATIONS

By appropriate agreement, written where legally required for validity, the Contractor shall require each Subcontractor, to the extent of the Work to be performed by the Subcontractor, to be bound to the Contractor by terms of the Contract Documents, and to assume toward the Contractor all the obligations and responsibilities, including the responsibility for safety of the Subcontractor’s Work, which the Contractor, by these Documents, assumes toward the Owner and Architect, if any. Each subcontract agreement shall preserve and protect the rights of the Owner and Architect under the Contract Documents with respect to the Work to be performed by the Subcontractor so that subcontracting thereof will not prejudice such rights, and shall allow to the Subcontractor, unless specifically provided otherwise in the subcontract agreement, the benefit of all rights, remedies and redress against the Contractor that the Contractor, by the Contract Documents, has against the Owner. Where appropriate, the Contractor shall require each Subcontractor to enter into similar agreements with Sub-subcontractors. The Contractor shall make available to each proposed Subcontractor at such reasonably appropriate time, copies of the Contract Documents to which the Subcontractor will be bound. Subcontractors will similarly make copies of applicable portions of such documents available to their respective proposed Sub-subcontractors.

§ 5.4 CONTINGENT ASSIGNMENT OF SUBCONTRACTS

§ 5.4.1 Each subcontract agreement for a portion of the Work is assigned by the Contractor to the Owner, provided that

1 assignment is effective only after termination of the Contract by the Owner for cause pursuant to Section 14.2 and only for those subcontract agreements that the Owner accepts by notifying the Subcontractor and Contractor in writing; and

2 assignment is subject to the prior rights of the surety, if any, obligated under bond relating to the Contract.

§ 5.4.2 Upon such assignment, if the Work has been suspended for more than 30 days, the Subcontractor’s compensation shall be equitably adjusted for increases in cost resulting from the suspension.

(Paragraph deleted)
ARTICLE 6 CONSTRUCTION BY OWNER OR BY SEPARATE CONTRACTORS
§ 6.1 OWNER’S RIGHT TO PERFORM CONSTRUCTION AND TO AWARD SEPARATE CONTRACTS
§ 6.1.1 [Intentionally omitted.]
§ 6.1.2 [Intentionally omitted.]
§ 6.1.3 [Intentionally omitted.]
§ 6.1.4 The parties do not contemplate or intend that the Owner will perform construction related to the Project with its own forces. However, in the event that the parties agree to allow the Owner to perform construction or operations with its own forces, except to the extent otherwise provided in the Contract Documents, when the Owner performs construction or operations related to the Project with the Owner’s own forces, the Owner shall be deemed to be subject to the same obligations and to have the same rights that apply to the Contractor under the Conditions of the Contract, including, without excluding others, those stated in Article 3, this Article 6 and Articles 10, 11 and 12.

§ 6.2 [Intentionally omitted.]
§ 6.3 [Intentionally omitted.]

ARTICLE 7 CHANGES IN THE WORK
§ 7.1 GENERAL
§ 7.1.1 Changes in the Work may be accomplished after execution of the Contract, and without invalidating the Contract, by Change Order, Construction Change Directive or order for a minor change in the Work, subject to the limitations stated in this Article 7 and elsewhere in the Contract Documents.

§ 7.1.2 A Change Order shall be based upon agreement among the Owner, the Contractor, the Prime Subcontractor, and Architect; a Construction Change Directive requires agreement by the Owner and Architect and may or may not be agreed to by the Contractor.

§ 7.1.3 Changes in the Work shall be performed under applicable provisions of the Contract Documents, and the Contractor shall proceed promptly, unless otherwise provided in the Change Order, Construction Change Directive or order for a minor change in the Work.

§ 7.1.4 No course of conduct or dealings between the parties, nor express or implied acceptance of alterations or additions to the Work, and no claim that Owner has been unjustly enriched by any alteration or addition to the Work, whether or not there is, in fact, any unjust enrichment to the Work, shall be the basis of any claim to any increase in any amounts due under the Contract Documents or a change in any time period provided for in the Contract Documents.

§ 7.1.5 Notwithstanding any other term in this Article 7, the parties acknowledge and agree that neither Contractor nor its Prime Subcontractor shall be obligated to perform any change in the Work covered by a Change Order, Construction Change Directive, or Minor Change in the Work directed by the Architect under Section 7.4 without the prior written consent of the Owner’s Lender (as identified by Owner) or its assignee for changes that would result or are reasonably likely to result in an increase in any item of construction cost in excess of $25,000.00 for any single change or in excess of $100,000.00 for all such changes in such items of construction cost or for such other changes for which Lender’s prior written approval is required pursuant to that certain Contractor’s Consent and that certain Subcontractor’s Consent entered into by the respective parties and the Lender on or about April 1, 2016, relating to this Project, as such Consents may be amended from time to time by the parties.

§ 7.2 CHANGE ORDERS
§ 7.2.1 A Change Order is a written instrument prepared by the Architect and signed by the Owner, the Contractor, the Prime Subcontractor, and Architect stating their agreement upon all of the following:
.1 The change in the Work;
.2 The amount of the adjustment, if any, in the Contract Sum; and
.3 The extent of the adjustment, if any, in the Contract Time.
§ 7.3 CONSTRUCTION CHANGE DIRECTIVES

§ 7.3.1 A Construction Change Directive is a written order prepared by the Architect and signed by the Owner and Architect, directing a change in the Work, and stating a proposed bases for adjustment, prior to agreement on adjustment, if any, in the Contract Sum or Contract Time, or both. The Owner may by Construction Change Directive, without invalidating the Contract, order changes in the Work within the general scope of the Contract consisting of additions, deletions or other revisions, the Contract Sum and Contract Time being adjusted accordingly.

§ 7.3.2 A Construction Change Directive shall be used in the absence of total agreement on the terms of a Change Order.

§ 7.3.3 If the Construction Change Directive provides for an adjustment to the Contract Sum, the adjustment shall be based on one of the following methods:

.1 Mutual acceptance of a lump sum properly itemized and supported by sufficient substantiating data to permit evaluation;
.2 Unit prices stated in the Contract Documents or subsequently agreed upon;
.3 Cost to be determined in a manner agreed upon by the parties and a mutually acceptable fixed or percentage fee; or
.4 As provided in Section 7.3.7.

§ 7.3.4 If unit prices are stated in the Contract Documents or subsequently agreed upon, and if quantities originally contemplated are materially changed in a proposed Change Order or Construction Change Directive so that application of such unit prices to quantities of Work proposed will cause substantial inequity to the Owner or Contractor, the applicable unit prices shall be equitably adjusted.

§ 7.3.5 Upon receipt of a Construction Change Directive, the Contractor shall promptly proceed with the change in the Work involved and advise the Architect of the Contractor’s agreement or disagreement with the method, if any, provided in the Construction Change Directive for determining the proposed adjustment in the Contract Sum or Contract Time.

§ 7.3.6 A Construction Change Directive signed by the Contractor and the Prime Subcontractor indicates the Contractor’s and the Prime Subcontractor’s agreement therewith, including adjustment in Contract Sum and Contract Time or the method for determining them. Such agreement shall be effective immediately and shall be recorded as a Change Order.

§ 7.3.7 If the Contractor or the Prime Subcontractor do not respond promptly or disagree with the method for adjustment in the Contract Sum, the method and the adjustment shall be determined on the basis of reasonable expenditures and savings of those performing the Work attributable to the change, including, in case of an increase in the Contract Sum, an amount for overhead and profit as set forth in the Agreement, or if no such amount is set forth in the Agreement, a reasonable amount. In such case, and also under Section 7.3.3, the Contractor through its Prime Subcontractor shall keep and present, in such form as the Architect may reasonably prescribe, an itemized accounting together with appropriate supporting data. Unless otherwise provided in the Contract Documents, costs for the purposes of this Section 7.3.7 shall be limited to the following:

.1 Costs of labor, including social security, old age and unemployment insurance, fringe benefits required by agreement or custom, and workers’ compensation insurance;
.2 Costs of materials, supplies and equipment, including cost of transportation, whether incorporated or consumed;
.3 Rental costs of machinery and equipment, exclusive of hand tools, whether rented from the Contractor or others;
.4 Costs of premiums for all bonds and insurance, permit fees, and sales, use or similar taxes related to the Work; and
.5 Additional costs of supervision and field office personnel directly attributable to the change.

The Architect’s determination, as specified above, shall not be less than the actual costs expended by the Contractor through its Prime Subcontractor in performing the changed Work. If the Architect’s determination is believed by the Contractor to be less than its actual costs (incurred or projected) in performing the Work, the Contractor may initiate mediation and then arbitration in accordance with the Contract Documents upon a statement of disagreement with the Architect.
§ 7.3.8 The amount of credit to be allowed by the Contractor and the Prime Subcontractor to the Owner for a deletion or change that results in a net decrease in the Contract Sum shall be actual net cost as confirmed by the Architect. When both additions and credits covering related Work or substitutions are involved in a change, the allowance for overhead and profit shall be figured on the basis of net increase, if any, with respect to that change.

§ 7.3.9 If the Contractor, Prime Subcontractor, and Owner cannot agree on an adjustment in the Contract Sum, Contract Time, or both with respect to any Change Directive or requested Change Order, the Owner, Contractor, and Prime Subcontractor shall execute a Change Order in the maximum amount which Owner is willing to increase the Contract Sum, Contract Time, or both, as applicable, with an express notation that Contractor has asserted a Claim for the additional amounts of increased Contract Sum, Contract Time, or both, and which Contractor or the Prime Subcontractor asserts is proper. Pending final determination thereof, such amounts not in dispute for such changes in the Work shall be included in Applications for Payment accompanied by such Change Order indicating the parties’ agreement with part or all of such costs, subject to the right of either party to assert a Claim in accordance with Article 15.

§ 7.3.10 When the Owner, Contractor, and Prime Subcontractor agree with a determination made by the Architect concerning the adjustments in the Contract Sum and Contract Time, or otherwise reach agreement upon the adjustments, such agreement shall be effective immediately and shall be recorded by preparation and execution of an appropriate Change Order.

§ 7.4 MINOR CHANGES IN THE WORK
The Architect has authority to order minor changes in the Work not involving adjustment in the Contract Sum or extension of the Contract Time and not inconsistent with the intent of the Contract Documents. Such changes will be effected by written order signed by the Architect and shall be binding on the Owner and Contractor. The Contractor shall not be responsible for determining whether the Architect exceeded its authority to issue such written order and shall carry out such written order promptly. In the event Contractor or Prime Subcontractor reasonably believes that such directed change requires the consent of the Owner and/or the Lender (as identified by the Owner) as required in this Article 7, Contractor (or its Prime Subcontractor) may require the Owner’s and/or the Lender’s prior written approval as a condition of making such change.

ARTICLE 8 TIME
§ 8.1 DEFINITIONS
§ 8.1.1 Unless otherwise provided, Contract Time is the period of time, including authorized adjustments, allotted in the Contract Documents for Substantial Completion of the Work.

§ 8.1.2 The date of commencement of the Work is the date established in the Agreement.

§ 8.1.3 The date of Substantial Completion is the date as established pursuant to Section 9.8.

§ 8.1.4 The term ”day” as used in the Contract Documents shall mean calendar day unless otherwise specifically defined.

§ 8.2 PROGRESS AND COMPLETION
§ 8.2.1 Time limits stated in the Contract Documents are of the essence of the Contract.

§ 8.2.2 The Contractor shall not knowingly, except by agreement or instruction of the Owner in writing, prematurely commence operations on the site or elsewhere prior to the effective date of insurance required by Article 11 to be furnished by the Contractor and Owner. The date of commencement of the Work shall not be changed by the effective date of such insurance.

§ 8.2.3 The Contractor shall proceed expeditiously with adequate forces and shall achieve Substantial Completion within the Contract Time.

§ 8.3 DELAYS AND EXTENSIONS OF TIME
§ 8.3.1 If the Contractor is delayed at any time in the commencement or progress of the Work by an act or neglect of the Owner or Architect, or of an employee of either, or of a separate contractor employed by the Owner; or by changes
ordered in the Work; or by labor disputes, fire, unusual delay in deliveries, unavoidable casualties or other causes beyond the Contractor’s control; or by delay authorized by the Owner pending mediation and arbitration; or by other causes that the Architect reasonably and in good faith determines may justify delay, then the Contract Time shall be extended by Change Order for such reasonable time as the Architect may in good faith determine.

§ 8.3.2 Claims relating to time shall be made in accordance with applicable provisions of Article 15.

§ 8.3.3 This Section 8.3 does not preclude recovery of damages for delay by either party under other provisions of the Contract Documents.

ARTICLE 9 PAYMENTS AND COMPLETION

§ 9.1 CONTRACT SUM
The Contract Sum is stated in the Agreement and, including authorized adjustments, is the total amount payable by the Owner to the Contractor or directly to the Prime Subcontractor (to the extent provided in the Agreement) for performance of the Work under the Contract Documents.

§ 9.2 SCHEDULE OF VALUES
The Contractor or its Prime Subcontractor shall submit to the Architect, before the first Application for Payment, a schedule of values allocating the entire Contract Sum to the various portions of the Work and prepared in such form and supported by such data to substantiate its accuracy as the Architect may require. This schedule, unless objected to by the Architect, shall be used as a basis for reviewing the Applications for Payment.

§ 9.3 APPLICATIONS FOR PAYMENT

§ 9.3.1 At least ten days before the date established for each progress payment, except as otherwise expressly required by the Agreement, the Contractor or its Prime Subcontractor shall submit to the Owner or the Architect (if designated by the Owner to receive such Application) an itemized Application for Payment prepared in accordance with the schedule of values, if required under Section 9.2., for completed portions of the Work. With each Application for Payment, the Contractor (through its Prime Subcontractor) shall submit such back-up documentation to reflect payments made by Prime Subcontractor and invoices from Prime Subcontractor’s suppliers or sub-subcontractors reasonably required by the Owner to support the amounts requested in the Application for Payment.

§ 9.3.1.1 As provided in Section 7.3.9, such applications may include requests for payment on account of changes in the Work that have been properly authorized by Construction Change Directives, or by interim determinations of the Architect, but not yet included in Change Orders.

§ 9.3.1.2 Applications for Payment shall not include requests for payment for portions of the Work for which the Prime Subcontractor does not intend to pay a Sub-subcontractor or material supplier, unless such Work has been performed by others whom the Prime Subcontractor intends to pay.

§ 9.3.2 Unless otherwise provided in the Contract Documents, payments shall be made on account of materials and equipment delivered and suitably stored at the site for subsequent incorporation in the Work. If approved in advance by the Owner, payment may similarly be made for materials and equipment suitably stored off the site at a location agreed upon in writing. Payment for materials and equipment stored on or off the site shall be conditioned upon compliance by the Contractor or the Prime Subcontractor with procedures satisfactory to the Owner to establish the Owner’s title to such materials and equipment or otherwise protect the Owner’s interest, and shall include the costs of applicable insurance, storage and transportation to the site for such materials and equipment stored off the site.

§ 9.3.3 The Contractor (and the Prime Subcontractor if submitting the Application for Payment) warrants that title to all Work covered by an Application for Payment will pass to the Owner no later than the time of payment. The Contractor (and the Prime Subcontractor if submitting the Application for Payment) further warrants that upon submittal of an Application for Payment all Work for which Certificates for Payment have been previously issued and payments received from the Owner shall, to the best of its knowledge, information and belief, be free and clear of liens, claims, security interests or encumbrances in favor of the Contractor, Subcontractors, material suppliers, or other persons or entities making a claim by reason of having provided labor, materials and equipment relating to the Work.
§ 9.4 CERTIFICATES FOR PAYMENT

§ 9.4.1 The Architect will, within seven days after receipt of the Application for Payment, either issue to the Owner a Certificate for Payment, with a copy to the Contractor and the Prime Subcontractor, for such amount as the Architect determines is properly due, or notify the Contractor, the Prime Subcontractor, and Owner in writing of the Architect's reasons for withholding certification in whole or in part as provided in Section 9.5.1.

§ 9.4.2 The issuance of a Certificate for Payment will constitute a representation by the Architect to the Owner, based on the Architect’s evaluation of the Work and the data comprising the Application for Payment, that, to the best of the Architect’s knowledge, information and belief, the Work has progressed to the point indicated and that the quality of the Work is in accordance with the Contract Documents. The foregoing representations are subject to an evaluation of the Work for conformance with the Contract Documents upon Substantial Completion, to results of subsequent tests and inspections, to correction of minor deviations from the Contract Documents prior to completion and to specific qualifications expressed by the Architect. The issuance of a Certificate for Payment will further constitute a representation that the Contractor or the Prime Subcontractor is entitled to payment in the amount certified. However, the issuance of a Certificate for Payment will not be a representation that the Architect has (1) made exhaustive or continuous on-site inspections to check the quality or quantity of the Work, (2) reviewed construction means, methods, techniques, sequences or procedures, (3) reviewed copies of requisitions received from Subcontractors and material suppliers and other data requested by the Owner to substantiate the Contractor’s or Prime Subcontractor’s right to payment, or (4) made examination to ascertain how or for what purpose the Contractor or Prime Subcontractor has used money previously paid on account of the Contract Sum.

§ 9.5 DECISIONS TO WITHHOLD CERTIFICATION

§ 9.5.1 The Owner may withhold payment to such extent as may be necessary to protect the Owner from loss for which the Contractor is responsible, including loss resulting from acts and omissions described in Section 3.3.2, because of

.1 defective Work not remedied;
.2 third party claims filed unless security acceptable to the Owner is provided by the Contractor or its Prime Subcontractor;
.3 failure of the Contractor or the Prime Subcontractor to make payments properly to Subcontractors or for labor, materials or equipment (except to the extent Contractor or the Prime Subcontractor has furnished Owner with a bond to release any lien claim in compliance with Chapter 53, Texas Property Code);
.4 damage to the Owner;
.5 reasonable evidence that the Work will not be completed within the Contract Time, and that the unpaid balance would not be adequate to cover actual or liquidated damages for the anticipated delay; or
.6 persistent failure to carry out the Work in accordance with the Contract Documents.

§ 9.5.2 When the above reasons for withholding certification are removed, payment will be made for amounts previously withheld.

§ 9.6 PROGRESS PAYMENTS

§ 9.6.1 The Owner shall make payment to the Prime Subcontractor in the manner and within the time provided in the Contract Documents, and shall so notify the Architect.

§ 9.6.2 The Contractor and its Prime Subcontractor shall promptly pay each Subcontractor in accordance with the payment terms of the respective subcontractual agreement after receipt of payment from the Owner, out of the amount paid to the Contractor or Prime Subcontractor (to the extent such payment is made to the Prime Subcontractor) on account of such Subcontractor’s portion of the Work, the amount to which the respective Subcontractor is entitled, reflecting percentages actually retained from payments to the Contractor or the Prime Subcontractor on account of the Subcontractor’s portion of the Work. The Contractor and its Prime Subcontractor shall, by appropriate agreement with each Subcontractor, require each Subcontractor to make payments to Sub-subcontractors in a similar manner.

§ 9.6.3 [Intentionally omitted.]
§ 9.6.4 The Contractor, through its Prime Subcontractor, shall provide written evidence from the Contractor that the Contractor has properly paid Prime Subcontractor and that Prime Subcontractor has paid its first tier subcontractors and material and equipment suppliers amounts paid by the Owner to the Contractor for subcontracted Work. If the Contractor fails to furnish such evidence within seven days, the Owner shall have the rights pursuant to the Texas Property Code (including without limitation Section 53.159) and the right to contact Subcontractors to ascertain whether they have been properly paid. Neither the Owner nor Architect shall have an obligation to pay or to see to the payment of money to a Subcontractor of Prime Subcontractor, except as may otherwise be required by law.

§ 9.6.5 Contractor payments to material and equipment suppliers shall be treated in a manner similar to that provided in Sections 9.6.2, 9.6.3 and 9.6.4.

§ 9.6.6 A progress payment shall not constitute acceptance of Work not in accordance with the Contract Documents.

§ 9.6.7 Unless the Contractor or its Prime Subcontractor provides the Owner with a payment bond in the full penal sum of the Contract Sum, payments received by the Contractor or its Prime Subcontractor for Work properly performed by Subcontractors and suppliers shall be held for those Subcontractors or suppliers who performed Work or furnished materials, or both, under contract with the Contractor or Prime Subcontractor for which payment was made by the Owner. Nothing contained herein shall require money to be placed in a separate account and not commingled with money of the Contractor or the Prime Subcontractor, shall create any fiduciary liability or tort liability on the part of the Contractor or the Prime Subcontractor for breach of trust or shall entitle any person or entity to an award of punitive damages against the Contractor or the Prime Subcontractor for breach of the requirements of this provision.

§ 9.7 FAILURE OF PAYMENT

§ 9.7.1 If the Architect does not issue a Certificate for Payment, through no fault of the Contractor or the Prime Subcontractor, within seven days after receipt of the Application for Payment, or if the Owner does not pay the Contractor or the Prime Subcontractor (as required by the Agreement) within seven days after the date established in the Contract Documents the amount due the Contractor or Prime Subcontractor (as required by the Agreement), then the Contractor or the Prime Subcontractor may, upon seven additional days’ written notice to the Owner and Architect, stop the Work until payment of the amount owing has been received. The Contract Time shall be extended appropriately and the Contract Sum shall be increased by the amount of the Contractor’s or Prime Subcontractor’s reasonable costs of shut-down, delay and start-up, plus interest as provided for in the Contract Documents.

§ 9.7.2 If Owner is entitled to reimbursement or payment from Contractor under or pursuant to the Contract Documents, such payment shall be made promptly upon demand by Owner. Notwithstanding anything contained in the Contract Documents to the contrary, if Contractor fails to promptly make any payment due Owner, Owner shall have an absolute right to offset such amount against the Contract Sum and may, in Owner’s sole discretion, elect either to: (1) deduct an amount equal to that which Owner is entitled from any payment then or thereafter due Contractor from Owner, or (2) issue a written notice to Contractor reducing the Contract Sum by an amount equal to that to which the Owner is entitled.

§ 9.8 SUBSTANTIAL COMPLETION

§ 9.8.1 Substantial Completion is the stage in the progress of the Work when the Work or designated portion thereof is sufficiently complete in accordance with the Contract Documents so that the Owner can occupy or utilize the Work for its intended use. As a further condition of Substantial Completion acceptance, Contractor shall certify through its Prime Subcontractor that all remaining Work, the same being solely of a “punchlist” nature, will be completed within thirty (30) consecutive calendar days or as otherwise agreed upon following the date of Substantial Completion, or, if such punchlist Work cannot be completed within thirty (30) consecutive calendar days, that such punchlist Work will be commenced within such thirty (30) day period and diligently prosecuted until completion.

§ 9.8.2 When the Contractor considers that the Work, or a portion thereof which the Owner agrees to accept separately, is substantially complete, the Contractor through its Prime Subcontractor shall prepare and submit to the Architect a list of items (the "Punchlist") to be completed or corrected prior to final payment. Failure to include an item on such list does not alter the responsibility of the Contractor to complete all Work in accordance with the Contract Documents.

§ 9.8.3 Upon receipt of the Punchlist, the Architect will make an inspection to determine whether the Work or designated portion thereof is substantially complete. If the Architect’s inspection discloses any item, whether or not
included on the Punchlist, which is not sufficiently complete in accordance with the Contract Documents so that the Owner can occupy or utilize the Work or designated portion thereof for its intended use, the Contractor shall, before issuance of the Certificate of Substantial Completion, complete or correct such item upon notification by the Architect. In such case, the Contractor shall then submit a request for another inspection by the Architect to determine Substantial Completion.

§ 9.8.4 When the Work or designated portion thereof is substantially complete, the Architect will prepare a Certificate of Substantial Completion that shall establish the date of Substantial Completion, shall establish responsibilities of the Owner and Contractor (or its Prime Subcontractor) for security, maintenance, heat, utilities, damage to the Work and insurance, and shall fix the time within which the Contractor shall finish all items on the Punchlist accompanying the Certificate. Warranties required by the Contract Documents shall commence on the date of Substantial Completion of the Work or designated portion thereof unless otherwise provided in the Certificate of Substantial Completion.

§ 9.8.5 The Certificate of Substantial Completion shall be submitted to the Owner, Contractor, and Prime Subcontractor for their written acceptance of responsibilities properly assigned to them in such Certificate. Upon such acceptance and consent of surety, if any, the Owner shall make payment of retainage applying to such Work or designated portion thereof. Such payment shall be adjusted for Work that is incomplete or not in accordance with the requirements of the Contract Documents.

§ 9.9 PARTIAL OCCUPANCY OR USE

§ 9.9.1 The Owner may occupy or use any completed or partially completed portion of the Work at any stage when such portion is designated by separate agreement with the Contractor and its Prime Subcontractor, provided such occupancy or use is consented to by the insurer as required under Section 11.3.1.5 and authorized by public authorities having jurisdiction over the Project. Such partial occupancy or use may commence whether or not the portion is substantially complete, provided the Owner, Contractor, and its Prime Subcontractor have accepted in writing the responsibilities assigned to each of them for payments, retainage, if any, security, maintenance, heat, utilities, damage to the Work and insurance, and have agreed in writing concerning the period for correction of the Work and commencement of warranties required by the Contract Documents. When the Contractor or its Prime Subcontractor considers a portion substantially complete, the Contractor through its Prime Subcontractor shall prepare and submit a list to the Architect as provided under Section 9.8.2. Consent of the Contractor and its Prime Subcontractor to partial occupancy or use shall not be unreasonably withheld. The stage of the progress of the Work shall be determined by written agreement between the Owner, Contractor, and the Prime Subcontractor or, if no agreement is reached, by decision of the Architect. For any partial occupancy or use, the Owner shall reduce retainage proportionately to the Contractor at the time of partial occupancy or use.

§ 9.9.2 Immediately prior to such partial occupancy or use, the Owner, Contractor, Prime Subcontractor, and Architect shall jointly inspect the area to be occupied or portion of the Work to be used in order to determine and record the condition of the Work.

§ 9.9.3 Partial occupancy or use of a portion or portions of the Work shall constitute acceptance of Work, subject to Punchlist items and warranty claims as to such portion of the Work.

§ 9.10 FINAL COMPLETION AND FINAL PAYMENT

§ 9.10.1 Upon receipt of the Contractor’s written notice that the Work is ready for final inspection and acceptance and upon receipt of a final Application for Payment, the Architect will promptly make such inspection and, when the Architect finds the Work acceptable under the Contract Documents and the Contract fully performed, the Architect will promptly issue a final Certificate for Payment stating that to the best of the Architect’s knowledge, information and belief, and on the basis of the Architect’s on-site visits and inspections, the Work has been completed in accordance with terms and conditions of the Contract Documents and that the entire balance found to be due the Contractor or its Prime Subcontractor (to the extent direct payment is provided by the Agreement) and noted in the final Certificate is due and payable. The Architect’s final Certificate for Payment will constitute a further representation that conditions listed in Section 9.10.2 as precedent to the Contractor’s being entitled to final payment have been fulfilled.

§ 9.10.2 Neither final payment nor any remaining retained percentage shall become due until the Contractor through its Prime Subcontractor submits to the Architect (1) an affidavit that payrolls, bills for materials and equipment, and other
 § 9.10.3 If, after Substantial Completion of the Work, final completion thereof is materially delayed through no fault of the Contractor or its Prime Subcontractor or by issuance of Change Orders affecting final completion, and the Architect so confirms, the Owner shall, upon application by the Contractor or its Prime Subcontractor and certification by the Architect, and without terminating the Contract, make payment of the balance due for that portion of the Work fully completed and accepted. If the remaining balance for Work not fully completed or corrected is less than retainage stipulated in the Contract Documents, and if bonds have been furnished, the written consent of surety to payment of the balance due for that portion of the Work fully completed and accepted shall be submitted by the Contractor or its Prime Subcontractor to the Architect prior to certification of such payment. Such payment shall be made under terms and conditions governing final payment, except that it shall not constitute a waiver of claims.

 § 9.10.4 The making of final payment shall constitute a waiver of Claims by the Owner except those arising from:
   .1 liens, Claims, security interests or encumbrances arising out of the Contract and unsettled;
   .2 failure of the Work to comply with the requirements of the Contract Documents; or
   .3 terms of special warranties required by the Contract Documents.

 § 9.10.5 Acceptance of final payment by the Contractor or the Prime Subcontractor (if direct payment is provided by the Agreement), a Subcontractor or material supplier shall constitute a waiver of claims by that payee except those previously made in writing and identified by that payee as unsettled at the time of final Application for Payment.

ARTICLE 10 PROTECTION OF PERSONS AND PROPERTY

 § 10.1 SAFETY PRECAUTIONS AND PROGRAMS

The Contractor shall be responsible for initiating, maintaining and supervising all safety precautions and programs in connection with the performance of the Contract.

 § 10.2 SAFETY OF PERSONS AND PROPERTY

 § 10.2.1 The Contractor shall take reasonable precautions for safety of, and shall provide reasonable protection to prevent damage, injury or loss to:
   .1 employees on the Work and other persons who may be affected thereby;
   .2 the Work and materials and equipment to be incorporated therein, whether in storage on or off the site, under care, custody or control of the Contractor or the Contractor’s Subcontractors or Sub-subcontractors; and
   .3 other property at the site or adjacent thereto, such as trees, shrubs, lawns, walks, pavements, roadways, structures and utilities not designated for removal, relocation or replacement in the course of construction.

 § 10.2.2 The Contractor shall comply with and give notices required by applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities bearing on safety of persons or property or their protection from damage, injury or loss.

 § 10.2.3 The Contractor shall erect and maintain, as required by existing conditions and performance of the Contract, reasonable safeguards for safety and protection, including posting danger signs and other warnings against hazards, promulgating safety regulations and notifying owners and users of adjacent sites and utilities. Contractor and its Prime Subcontractor and their subcontractors shall also exercise reasonable care to prevent injury or damage to

 indebtedness connected with the Work for which the Owner or the Owner’s property might be responsible or encumbered (less amounts withheld by Owner) have been paid or otherwise satisfied, (2) a certificate evidencing that insurance required by the Contract Documents to remain in force after final payment is currently in effect and will not be canceled or allowed to expire until at least 30 days’ prior written notice has been given to the Owner, (3) a written statement that the Contractor (or the Prime Subcontractor) knows of no substantial reason that the insurance will not be renewable to cover the period required by the Contract Documents, (4) consent of surety, if any, to final payment and (5), if required by the Owner, other data establishing payment or satisfaction of obligations, such as receipts, releases and waivers of liens, claims, security interests or encumbrances arising out of the Contract, to the extent and in such form as may be designated by the Owner. If a Subcontractor refuses to furnish a release or waiver required by the Owner, the Contractor or its Prime Subcontractor may furnish a bond satisfactory to the Owner to indemnify the Owner against such lien. If no statutory lien release bond is furnished and if such lien remains unsatisfied after payments are made, the Contractor shall refund to the Owner all money that the Owner may be compelled to pay in discharging such lien, including all costs and reasonable attorneys’ fees.

 § 10.3 When such payments are made, the Contractor shall refund to the Owner all money that the Owner may be compelled to pay in discharging such lien, including all costs and reasonable attorneys’ fees.
property adjacent to the Project and improvements thereon and shall be responsible for the repair thereof to the extent that such injury or damage was caused by such failure to exercise such reasonable care.

§ 10.2.4 When use or storage of explosives or other hazardous materials or equipment or unusual methods are necessary for execution of the Work, the Contractor shall exercise utmost care and carry on such activities under supervision of properly qualified personnel.

§ 10.2.5 The Contractor shall promptly remedy damage and loss (other than damage or loss insured under property insurance required by the Contract Documents) to property referred to in Sections 10.2.1.2 and 10.2.1.3 caused in whole or in part by the Contractor, a Subcontractor, a Sub-subcontractor, or anyone directly or indirectly employed by any of them, or by anyone for whose acts they may be liable and for which the Contractor is responsible under Sections 10.2.1.2 and 10.2.1.3, except damage or loss attributable to acts or omissions of the Owner or Architect or anyone directly or indirectly employed by either of them, or by anyone for whose acts either of them may be liable, and not attributable to the fault or negligence of the Contractor. The foregoing obligations of the Contractor are in addition to the Contractor’s obligations under Section 3.18.

§ 10.2.6 The Contractor shall designate a responsible member of the Contractor’s organization at the site whose duty shall be the prevention of accidents. This person shall be the Contractor’s superintendent unless otherwise designated by the Contractor in writing to the Owner and Architect.

§ 10.2.7 The Contractor shall not permit any part of the construction or site to be loaded so as to cause damage or create an unsafe condition.

§ 10.2.8 INJURY OR DAMAGE TO PERSON OR PROPERTY
If either party suffers injury or damage to person or property because of an act or omission of the other party, or of others for whose acts such party is legally responsible, written notice of such injury or damage, whether or not insured, shall be given to the other party within a reasonable time after discovery. The notice shall provide sufficient detail to enable the other party to investigate the matter. Without limiting the foregoing, provided that such reporting is permitted under Contractor’s insurance coverage, Contractor shall promptly report in writing to Owner all accidents known to Contractor arising out of or in connection with the Work which cause death or personal injury resulting in lost time from work of one (1) day or more, or property damage in excess of Twenty Thousand Dollars ($20,000), giving full details and statements of any witnesses. In addition, if death or serious property damages are caused, the accident shall be reported immediately by telephone or messenger to Owner.

§ 10.3 HAZARDOUS MATERIALS
§ 10.3.1 If a material or substance, including but not limited to asbestos or polychlorinated biphenyl (PCB), encountered on the site by the Contractor, the Contractor shall, upon recognizing the condition, immediately stop Work in the affected area and report the condition to the Owner and Architect in writing.

§ 10.3.2 Upon receipt of the Contractor’s written notice, the Owner shall obtain the services of a licensed laboratory to verify the presence or absence of the material or substance reported by the Contractor and the Prime Subcontractor and, in the event such material or substance is found to be present, to cause it to be rendered harmless. Unless otherwise required by the Contract Documents, the Owner shall furnish in writing to the Contractor, the Prime Subcontractor, and Architect the names and qualifications of persons or entities who are to perform tests verifying the presence or absence of such material or substance or who are to perform the task of removal or safe containment of such material or substance. The Contractor, the Prime Subcontractor, and the Architect will promptly reply to the Owner in writing stating whether or not either has reasonable objection to the persons or entities proposed by the Owner. If the Contractor, the Prime Subcontractor, or Architect has an objection to a person or entity proposed by the Owner, the Owner shall propose another to whom the Contractor, the Prime Subcontractor, and the Architect have no reasonable objection. When the material or substance has been rendered harmless, Work in the affected area shall resume upon written agreement of the Owner, Contractor and the Prime Subcontractor. By Change Order, the Contract Time shall be extended appropriately and the Contract Sum shall be increased in the amount of the Contractor’s and the Prime Subcontractor’s reasonable additional costs of shut-down, delay and start-up, which adjustments shall be accomplished as provided in Article 7.
§ 10.3.3 To the fullest extent permitted by law, the Owner shall indemnify and hold harmless the Contractor, the Prime Subcontractor and its Subcontractors, Architect, Architect’s consultants and agents and employees of any of them from and against claims, damages, losses and expenses, including but not limited to attorneys’ fees, arising out of or resulting from performance of the Work in the affected area if in fact the material or substance presents the risk of bodily injury or death as described in Section 10.3.1 and has not been rendered harmless, provided that such claim, damage, loss or expense is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property (other than the Work itself), except to the extent that such damage, loss or expense is due to the fault or negligence of the party seeking indemnity.

§ 10.3.4 The Owner shall not be responsible under this Section 10.3 for materials or substances the Contractor or the Prime Subcontractor or its sub-subcontractors of any tier bring to the site unless such materials or substances are required by the Contract Documents.

§ 10.3.5 [Intentionally omitted.]

§ 10.3.6 If, without negligence on the part of the Contractor or its Prime Subcontractor, the Contractor or its Prime Subcontractor is held liable by a government agency for the cost of remediation of a hazardous material or substance solely by reason of performing Work as required by the Contract Documents, the Owner shall indemnify the Contractor and its Prime Subcontractor for all cost and expense thereby incurred, including reasonable legal fees and expenses.

§ 10.4 EMERGENCIES
In an emergency affecting safety of persons or property, the Contractor or its Prime Subcontractor shall act, at the respective party’s discretion, to prevent threatened damage, injury or loss. Additional compensation or extension of time claimed on account of an emergency shall be determined as provided in Article 15 and Article 7.

ARTICLE 11 INSURANCE AND BONDS
§ 11.1 CONTRACTOR’S LIABILITY INSURANCE
§ 11.1.1 The Contractor through its Prime Subcontractor shall purchase from and maintain in a company or companies lawfully authorized to do business in the jurisdiction in which the Project is located such insurance as will protect the Contractor from claims set forth below which may arise out of or result from the Contractor’s operations and completed operations (subject to such limitations as noted below) under the Contract and for which the Contractor may be legally liable, whether such operations be by the Contractor or by a Subcontractor or by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable:

.1 Claims under workers’ compensation, disability benefit and other similar employee benefit acts that are applicable to the Work to be performed;
.2 Claims for damages because of bodily injury, occupational sickness or disease, or death of the Contractor’s employees;
.3 Claims for damages because of bodily injury, sickness or disease, or death of any person other than the Contractor’s employees;
.4 Claims for damages insured by usual personal injury liability coverage;
.5 Claims for damages, other than to the Work itself, because of injury to or destruction of tangible property;
.6 Claims for damages because of bodily injury, death of a person or property damage arising out of ownership, maintenance or use of a motor vehicle;
.7 Claims for bodily injury or property damage arising out of completed operations; and
.8 Claims involving contractual liability insurance applicable to the Contractor’s obligations under Section 3.18.

§ 11.1.2 The insurance required by Section 11.1.1 and the Agreement shall be written for not less than limits of liability specified in the Contract Documents or required by law, whichever coverage is greater. Coverages, whether written on an occurrence or claims-made basis, shall be maintained without interruption from the date of commencement of the Work until the date of final payment and termination of any coverage required to be maintained after final payment, and, with respect to the Contractor’s completed operations coverage, until the expiration of the period for correction of Work or for such other period for maintenance of completed operations coverage as specified in the Contract Documents. The Builder’s Risk Insurance required to be maintained by Contractor or its Prime Subcontractor hereunder shall be maintained without interruption for the term required by Section 11.3.1.
§ 11.1.3 Certificates of insurance acceptable to the Owner shall be filed with the Owner prior to commencement of the Work and thereafter upon renewal or replacement of each required policy of insurance. These certificates and the insurance policies required by this Section 11.1 shall contain a provision that coverages afforded under the policies will not be canceled or allowed to expire until at least 30 days’ prior written notice has been given to the Owner. An additional certificate evidencing continuation of liability coverage, including coverage for completed operations, shall be submitted with the final Application for Payment as required by Section 9.10.2 and thereafter upon renewal or replacement of such coverage until the expiration of the time required by Section 11.1.2. Information concerning reduction of coverage on account of revised limits or claims paid under the General Aggregate, or both, shall be furnished by the Contractor with reasonable promptness.

§ 11.1.4 The Contractor through its Prime Subcontractor shall cause the commercial liability coverage required by the Contract Documents to include (1) the Owner, Houston Area Community Development Corporation, BBVA Compass Bank Construction, City of Houston Home Funds/HACDC, New Hope Housing, Inc., and National Equity Fund, Inc. & NEF Assignment Corp., as Nominee, its successors and/or assignees, as additional insureds for claims caused in whole or in part by the Prime Subcontractor’s negligent acts or omissions during the Prime Subcontractor’s operations; and (2) the Owner, Houston Area Community Development Corporation, BBVA Compass Bank Construction, City of Houston Home Funds/HACDC, New Hope Housing, Inc. and National Equity Fund, Inc. & NEF Assignment Corp., as Nominee, its successors and/or assignees, as additional insureds for claims caused in whole or in part by the Prime Subcontractor’s negligent acts or omissions during the Prime Subcontractor’s completed operations.

§ 11.2 OWNER’S LIABILITY INSURANCE
[Intentionally deleted.]

§ 11.3 PROPERTY INSURANCE
§ 11.3.1 Unless otherwise provided, the Contractor or its Prime Subcontractor shall purchase and maintain, in a company or companies lawfully authorized to do business in the jurisdiction in which the Project is located, property insurance written on a builder’s risk “all-risk” or equivalent policy form in the amount of the initial Contract Sum, plus value of subsequent Contract Modifications and cost of materials supplied or installed by others, comprising total value for the entire Project at the site on a replacement cost basis, including cost to cover professional fees, without optional deductibles. Such property insurance shall be maintained, unless otherwise provided in the Contract Documents or otherwise agreed in writing by all persons and entities who are beneficiaries of such insurance, until final payment has been made as provided in Section 9.10 or until no person or entity other than the Owner has an insurable interest in the property required by this Section 11.3 to be covered, whichever is later. This insurance shall include interests of the Owner, the Contractor, the Prime Subcontractor and its Subcontractors and Sub-subcontractors in the Project.

§ 11.3.1.1 Property insurance shall be on an “all-risk” or equivalent policy form and shall include, without limitation, insurance against the perils of fire (with extended coverage) and physical loss or damage including, without duplication of coverage, theft, vandalism, malicious mischief, collapse, earthquake, flood, windstorm, falsewark, testing and startup, temporary buildings and debris removal including demolition occasioned by enforcement of any applicable legal requirements, and shall cover reasonable compensation for Architect’s and Contractor’s services and expenses required as a result of such insured loss.

§ 11.3.1.2 [Intentionally omitted.]

§ 11.3.1.3 If the property insurance requires deductibles, the Owner shall pay costs not covered because of such deductibles.

§ 11.3.1.4 This property insurance shall cover portions of the Work stored off the site, and also portions of the Work in transit.

§ 11.3.1.5 Partial occupancy or use in accordance with Section 9.9 shall not commence until the insurance company or companies providing property insurance have consented to such partial occupancy or use by endorsement or otherwise. The Owner and the Contractor or its Prime Subcontractor shall take reasonable steps to obtain consent of
the insurance company or companies and shall, without mutual written consent, take no action with respect to partial occupancy or use that would cause cancellation, lapse or reduction of insurance.

§ 11.3.2 BOILER AND MACHINERY INSURANCE
The Owner shall purchase and maintain boiler and machinery insurance required by the Contract Documents or by law, which shall specifically cover such insured objects during installation and until final acceptance by the Owner; this insurance shall include interests of the Owner, Contractor, the Prime Subcontractor and its Subcontractors and Sub-subcontractors in the Work, and the Owner, Contractor, and the Prime Subcontractor shall be named insureds.

§ 11.3.3 LOSS OF USE INSURANCE
The Owner, at the Owner’s option, may purchase and maintain such insurance as will insure the Owner against loss of use of the Owner’s property due to fire or other hazards, however caused. The Owner waives all rights of action against the Contractor and the Prime Subcontractor for loss of use of the Owner’s property, including consequential losses due to fire or other hazards however caused.

§ 11.3.4 If the Contractor or the Prime Subcontractor requests in writing that insurance for risks other than those described herein or other special causes of loss be included in the property insurance policy, the Owner shall, if possible, include such insurance, and the cost thereof shall be charged to the Contractor by appropriate Change Order.

§ 11.3.5 If during the Project construction period the Owner insures properties, real or personal or both, at or adjacent to the site by property insurance under policies separate from those insuring the Project, or if after final payment property insurance is to be provided on the completed Project through a policy or policies other than those insuring the Project during the construction period, the Owner shall waive all rights in accordance with the terms of Section 11.3.7 for damages caused by fire or other causes of loss covered by this separate property insurance. All separate policies shall provide this waiver of subrogation by endorsement or otherwise.

§ 11.3.6 Before an exposure to loss may occur, the Owner shall file with the Contractor and the Prime Subcontractor a copy of each policy that includes insurance coverages required by this Section 11.3. Each policy shall contain all generally applicable conditions, definitions, exclusions and endorsements related to this Project. Each policy shall contain a provision that the policy will not be canceled or allowed to expire, and that its limits will not be reduced, until at least 30 days’ prior written notice has been given to the Contractor and the Prime Subcontractor.

§ 11.3.7 WAIVERS OF SUBROGATION
The Owner, Contractor, and Prime Subcontractor waive all rights against (1) each other and any of their subcontractors, sub-subcontractors, agents and employees, each of the other, and (2) the Architect, Architect’s consultants, separate contractors described in Article 6, if any, and any of their subcontractors, sub-subcontractors, agents and employees, for damages caused by fire or other causes of loss to the extent of actual recovery of any insurance proceeds under any property insurance obtained pursuant to this Section 11.3 or other property insurance applicable to the Work, except such rights as they have to proceeds of such insurance held by the Owner as fiduciary. The Owner, Contractor, or Prime Subcontractor, as appropriate, shall require of the Architect, Architect’s consultants, separate contractors described in Article 6, if any, and the subcontractors, sub-subcontractors, agents and employees of any of them, by appropriate agreements, written where legally required for validity, similar waivers each in favor of other parties enumerated herein. The policies shall provide such waivers of subrogation by endorsement or otherwise. A waiver of subrogation shall be effective as to a person or entity even though that person or entity would otherwise have a duty of indemnification, contractual or otherwise, did not pay the insurance premium directly or indirectly, and whether or not the person or entity had an insurable interest in the property damaged. The foregoing waiver shall not waive liability for damages to the extent not covered by insurance proceeds.

§ 11.3.8 A loss insured under the property insurance shall be adjusted by the party furnishing the insurance as fiduciary and made payable to such person adjusting the loss as fiduciary for the insureds, as their interests may appear, subject to requirements of any applicable mortgagee clause and of Section 11.3.10. The Contractor and Prime Subcontractor shall pay their Subcontractors their just shares of insurance proceeds received by them, and by appropriate agreements, written where legally required for validity, shall require their Subcontractors to make payments to their Sub-subcontractors in similar manner.

§ 11.3.9 If required in writing by a party in interest, the party authorized to adjust any loss as fiduciary shall, upon occurrence of an insured loss, give bond for proper performance of such party’s duties. The cost of required bonds
shall be charged against proceeds received as fiduciary. The party authorized to adjust such loss shall deposit in a separate account proceeds so received, which such party authorized to adjust such loss shall distribute in accordance with such agreement as the parties in interest may reach, or as determined in accordance with the method of binding dispute resolution selected in the Agreement between the Owner and Contractor. If after such loss no other special agreement is made and unless the Owner terminates the Contract for convenience, replacement of damaged property shall be performed by the Contractor after notification of a Change in the Work in accordance with Article 7.

§ 11.3.10 The party authorized to adjust any loss under Section 11.3.8 above as fiduciary shall have power to adjust and settle a loss with insurers unless one of the parties in interest shall object in writing within five days after occurrence of loss to the such party’s exercise of this power; if such objection is made, the dispute shall be resolved in the manner selected by the Owner and Contractor as the method of binding dispute resolution in the Agreement. If the Owner and Contractor have selected arbitration as the method of binding dispute resolution, the party authorized to adjust such loss as fiduciary shall make settlement with insurers or, in the case of a dispute over distribution of insurance proceeds, in accordance with the directions of the arbitrators.

§ 11.4 PERFORMANCE BOND AND PAYMENT BOND
§ 11.4.1 The Contractor shall furnish a performance bond and a payment bond in the penal sum of the Contract Sum of the Agreement and a maintenance bond covering the Contractor’s obligations for correction of defective Work during the one year corrective period as required in Article 12 below in a penal sum of ten percent (10%) of the final Contract Sum. Such bonds may be furnished by or through Contractor’s Prime Subcontractor. Harrisburg SRO, Ltd., BBVA Compass Bank Construction, City of Houston Home Funds/HACDC, and National Equity Fund, Inc., shall be named by rider as an obligee on the performance bond.

§ 11.4.2 [Intentionally omitted.]

ARTICLE 12 UNCOVERING AND CORRECTION OF WORK
§ 12.1 UNCOVERING OF WORK
§ 12.1.1 If a portion of the Work is covered contrary to the Architect’s request or to requirements specifically expressed in the Contract Documents, it must, if requested in writing by the Architect, be uncovered for the Architect’s examination and be replaced at the Contractor’s expense without change in the Contract Time.

§ 12.1.2 If a portion of the Work has been covered that the Architect has not specifically requested to examine prior to its being covered, the Architect may request to see such Work and it shall be uncovered by the Contractor. If such Work is in accordance with the Contract Documents, costs of uncovering and replacement shall, by appropriate Change Order, be at the Owner’s expense. If such Work is not in accordance with the Contract Documents, such costs and the cost of correction shall be at the Contractor’s expense unless the condition was caused by the Owner or a separate contractor in which event the Owner shall be responsible for payment of such costs.

§ 12.2 CORRECTION OF WORK
§ 12.2.1 BEFORE OR AFTER SUBSTANTIAL COMPLETION
The Contractor shall promptly correct Work rejected by the Architect or Owner for failing to conform to the requirements of the Contract Documents, whether discovered before or after Substantial Completion and whether or not fabricated, installed or completed. Costs of correcting such rejected Work, including additional testing and inspections, the cost of uncovering and replacement, and costs reasonably incurred by the Owner for the Architect’s services and expenses made necessary thereby, shall be at the Contractor’s expense.

§ 12.2.2 AFTER SUBSTANTIAL COMPLETION
§ 12.2.2.1 In addition to the Contractor’s obligations under Section 3.5, if, within one year after the date of Substantial Completion of the Work or designated portion thereof or after the date for commencement of warranties established under Section 9.9.1, or by terms of an applicable special warranty required by the Contract Documents, any of the Work is found to be not in accordance with the requirements of the Contract Documents, the Contractor shall correct it promptly after receipt of written notice from the Owner to do so unless the Owner has previously given the Contractor a written acceptance of such condition. The Owner shall give such notice promptly after discovery of the condition. During the one-year period for correction of Work, if the Owner fails to notify the Contractor and give the Contractor an opportunity to make the correction, the Owner waives the rights to require correction by the Contractor and to make a claim for breach of warranty. If the Contractor fails to correct nonconforming Work within a reasonable time during
that period after receipt of notice from the Owner or Architect, the Owner may correct it in accordance with Section 2.4.

§ 12.2.2.2 The one-year period for correction of Work shall be extended with respect to portions of Work first performed after Substantial Completion by the period of time between Substantial Completion and the actual completion of that portion of the Work.

§ 12.2.2.3 The one-year period for correction of Work shall not be extended by corrective Work performed by the Contractor pursuant to this Section 12.2.

§ 12.2.3 The Contractor shall remove from the site portions of the Work that are not in accordance with the requirements of the Contract Documents and are neither corrected by the Contractor nor accepted by the Owner.

§ 12.2.4 The Contractor shall bear the cost of correcting destroyed or damaged construction, whether completed or partially completed, of the Owner or separate contractors caused by the Contractor’s correction or removal of Work that is not in accordance with the requirements of the Contract Documents.

§ 12.2.5 Nothing contained in this Section 12.2 shall be construed to establish a period of limitation with respect to other obligations the Contractor has under the Contract Documents. Establishment of the one-year period for correction of Work as described in Section 12.2.2 relates only to the specific obligation of the Contractor to correct the Work, and has no relationship to the time within which the obligation to comply with the Contract Documents may be sought to be enforced, nor to the time within which proceedings may be commenced to establish the Contractor’s liability with respect to the Contractor’s obligations other than specifically to correct the Work.

§ 12.3 ACCEPTANCE OF NONCONFORMING WORK
If the Owner prefers to accept Work that is not in accordance with the requirements of the Contract Documents, the Owner may do so instead of requiring its removal and correction, in which case the Contract Sum will be reduced as appropriate and equitable. Such adjustment shall be effected whether or not final payment has been made.

ARTICLE 13 MISCELLANEOUS PROVISIONS
§ 13.1 GOVERNING LAW
The Contract shall be governed by the law of the place where the Project is located.

§ 13.2 SUCCESSORS AND ASSIGNS
§ 13.2.1 The Owner and Contractor respectively bind themselves, their partners, successors, assigns and legal representatives to covenants, agreements and obligations contained in the Contract Documents. Except as provided in the Agreement or Section 13.2.2, neither party to the Contract shall assign the Contract as a whole without written consent of the other and the Prime Subcontractor. If either party attempts to make such an assignment without such consent, that party shall nevertheless remain legally responsible for all obligations under the Contract.

§ 13.2.2 The Owner may, without consent of the Contractor, assign the Contract to a lender providing construction financing for the Project, if the lender assumes the Owner’s rights and obligations under the Contract Documents, including those obligations incurred prior to the date of the assignment. The Contractor and the Prime Subcontractor shall execute all consents reasonably required to facilitate such assignment.

§ 13.3 WRITTEN NOTICE
Written notice shall be deemed to have been duly served if delivered in person to the individual, to a member of the firm or entity, or to an officer of the corporation for which it was intended; or if delivered at, or sent by registered or certified mail or by courier service providing proof of delivery to, the last business address known to the party giving notice.

§ 13.4 RIGHTS AND REMEDIES
§ 13.4.1 Except as expressly provided in the Contract Documents, duties and obligations imposed by the Contract Documents and rights and remedies available thereunder shall be in addition to and not a limitation of duties, obligations, rights and remedies otherwise imposed or available by law.
§ 13.4.2 No action or failure to act by the Owner, Architect or Contractor shall constitute a waiver of a right or duty afforded them under the Contract, nor shall such action or failure to act constitute approval of or acquiescence in a breach there under, except as may be specifically agreed in writing.

§ 13.5 TESTS AND INSPECTIONS
§ 13.5.1 Tests, inspections and approvals of portions of the Work shall be made as required by the Contract Documents and by applicable laws, statutes, ordinances, codes, rules and regulations or lawful orders of public authorities. Unless otherwise provided, the Contractor shall make arrangements for such tests, inspections and approvals with an independent testing laboratory or entity acceptable to the Owner, or with the appropriate public authority, and shall bear all related costs of tests, inspections and approvals. The Contractor shall give the Architect timely notice of when and where tests and inspections are to be made so that the Architect may be present for such procedures. The Owner shall bear costs of (1) tests, inspections or approvals that do not become requirements until after bids are received or negotiations concluded, and (2) tests, inspections or approvals where building codes or applicable laws or regulations prohibit the Owner from delegating their cost to the Contractor.

§ 13.5.2 If the Architect, Owner or public authorities having jurisdiction determine that portions of the Work require additional testing, inspection or approval not included under Section 13.5.1, the Architect will, upon written authorization from the Owner, instruct the Contractor to make arrangements for such additional testing, inspection or approval by an entity acceptable to the Owner, and the Contractor shall give timely notice to the Architect of when and where tests and inspections are to be made so that the Architect may be present for such procedures. Such costs, except as provided in Section 13.5.3, shall be at the Owner’s expense.

§ 13.5.3 If such procedures for testing, inspection or approval under Sections 13.5.1 and 13.5.2 reveal failure of the portions of the Work to comply with requirements established by the Contract Documents, all costs made necessary by such failure including those of repeated procedures and compensation for the Architect’s services and expenses shall be at the Contractor’s expense.

§ 13.5.4 Required certificates of testing, inspection or approval shall, unless otherwise required by the Contract Documents, be secured by the Contractor and promptly delivered to the Architect.

§ 13.5.5 If the Architect is to observe tests, inspections or approvals required by the Contract Documents, the Architect will do so promptly and, where practicable, at the normal place of testing.

§ 13.5.6 Tests or inspections conducted pursuant to the Contract Documents shall be made promptly to avoid unreasonable delay in the Work.

§ 13.6 INTEREST
Payments due and unpaid under the Contract Documents shall bear interest from the date payment is due at such rate as the parties may agree upon in writing or, in the absence thereof, at 12% per annum. No interest shall be due on retainage held by Owner in accordance with the terms of the Contract.

§ 13.7 TIME LIMITS ON CLAIMS
The Owner, Contractor, and the Prime Subcontractor shall commence all claims and causes of action, whether in contract, tort, breach of warranty or otherwise, against the other arising out of or related to the Contract in accordance with the requirements of the final dispute resolution method selected in the Agreement within the time period specified by applicable law, but in any case not more than 10 years after the date of Substantial Completion of the Work. The Owner, Contractor, and Prime Subcontractor waive all claims and causes of action not commenced in accordance with this Section 13.7.

§ 13.8 Each party hereto agrees to do all acts and things and to make, executed and deliver such written instruments, at shall time to time be reasonably required to carry out the terms and provisions of the Contract Documents.

§ 13.9 Any specific requirement in this Contract that the responsibilities or obligations of Contractor also apply to a Subcontractor is added for emphasis and are also hereby deemed to include a Subcontractor of any tier. The omission of a reference to a Subcontractor in connection with any of Contractor’s responsibilities or obligations shall not be construed to diminish, abrogate or limit any responsibilities or obligations of a Subcontractor of any tier under the Contract Documents or the applicable subcontract.
§ 13.10 Without limiting Section 13.1 above, the Contract Documents shall be construed and enforced in accordance with the laws of the State of Texas.

§ 13.11 If any provision of the Contract Documents shall, for any reason, be held violative of any applicable law, and so much of the Contract Documents is held to be unenforceable, then the validity of such specific provision herein shall not be held to invalidate any other provision herein, all of which other provisions shall remain in full force and effect to the maximum extent permitted by applicable law.

§ 13.12 This Contract is not intended to create, nor shall it be in any way interpreted or construed to created, any third party beneficiary rights in any person not a party hereto, except as otherwise expressly provided herein.

ARTICLE 14 TERMINATION OR SUSPENSION OF THE CONTRACT

§ 14.1 TERMINATION BY THE CONTRACTOR

§ 14.1.1 The Contractor may terminate the Contract if the Work is stopped for a period of 30 consecutive days through no act or fault of the Contractor or Subcontractor, Sub-subcontractor or their agents or employees or any other persons or entities performing portions of the Work under direct or indirect contract with the Contractor, for any of the following reasons:

.1 Issuance of an order of a court or other public authority having jurisdiction that requires all Work to be stopped;
.2 An act of government, such as a declaration of national emergency that requires all Work to be stopped or which makes materials unavailable;
.3 Because the Architect has not issued a Certificate for Payment and has not notified the Contractor of the reason for withholding certification as provided in Section 9.4.1, or because the Owner has not made payment within the time stated in the Contract Documents; or
.4 The Owner has failed to furnish to the Contractor promptly, upon the Contractor’s request, reasonable evidence as required by Section 2.2.1.

§ 14.1.2 The Contractor may terminate the Contract if, through no act or fault of the Contractor or a Subcontractor, Sub-subcontractor or their agents or employees or any other persons or entities performing portions of the Work under direct or indirect contract with the Contractor, repeated suspensions, delays or interruptions of the entire Work by the Owner as described in Section 14.3 constitute in the aggregate more than 100 percent of the total number of days scheduled for completion, or 90 days in any 365-day period, whichever is less.

§ 14.1.3 If one of the reasons described in Section 14.1.1 or 14.1.2 exists, the Contractor may, upon seven days’ written notice to the Owner and Architect, terminate the Contract and recover from the Owner payment for Work executed, including reasonable overhead and profit, costs incurred by reason of such termination, and damages.

§ 14.1.4 If the Work is stopped for a period of 60 consecutive days through no act or fault of the Contractor or a Subcontractor or their agents or employees or any other persons performing portions of the Work under contract with the Contractor because the Owner has repeatedly failed to fulfill the Owner’s obligations under the Contract Documents with respect to matters important to the progress of the Work, the Contractor may, upon seven additional days’ written notice to the Owner and the Architect, terminate the Contract and recover from the Owner as provided in Section 14.1.3.

§ 14.1.5 DEFAULT BY OWNER. Subject to Owner’s right to withhold payment to Contractor under the Contract, if Owner fails to pay undisputed amounts due and owing to Contractor and Owner has failed to cure such failure within 15 days following Contractor’s written notice to Owner to cure such failure, Contractor may thereafter terminate the Contract upon delivery of written notice of termination provided such notice is delivered to Owner prior to Contractor’s receipt of payment of all undisputed amounts owing to Contractor as set forth in the written notice to cure. In the event of such termination, Contractor shall recover from Owner as provided in Sec. 14.1.3 above.

§ 14.2 TERMINATION BY THE OWNER FOR CAUSE

§ 14.2.1 The Owner may terminate the Contract if the Contractor repeatedly refuses or fails to supply enough properly skilled workers or proper materials;
fails to make payment to Subcontractors for materials or labor in accordance with the respective agreements between the Contractor and the Subcontractors;

repeatedly disregards applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of a public authority;

otherwise is guilty of substantial breach of a provision of the Contract Documents;

becomes insolvent, or makes a transfer in fraud of creditors, or makes an assignment for the benefit of creditors;

subject to Paragraph 14.2.3 below, files or has filed against it a petition under any chapter or section of the United States Bankruptcy Code, as amended, or under any similar law or statute of the United States or any state thereof, or shall be adjudged bankrupt or insolvent in any legal proceeding, or a receiver or trustee is appointed for all or a significant portion of the assets of Contractor; or

actually or constructively abandons, or puts Owner on actual or constructive notice that is intends to abandon, the Project.

§ 14.2.2 When any of the above reasons exist, the Owner, upon certification by the Initial Decision Maker (if the parties have elected to designate an Initial Decision Maker in the Agreement) that sufficient cause exists to justify such action, may without prejudice to any other rights or remedies of the Owner and after giving the Contractor and its Prime Subcontractor and the Prime Subcontractor’s surety, if any, seven days’ written notice, terminate employment of the Contractor and may, subject to any prior rights of the surety:

1. Exclude the Contractor from the site and take possession of all building materials stored thereon;
2. Accept assignment of subcontracts pursuant to Section 5.4; and
3. Finish the Work by whatever reasonable method the Owner may deem expedient. Upon written request of the Contractor, the Owner shall furnish to the Contractor a detailed accounting of the costs incurred by the Owner in finishing the Work.

After any termination of this Contract by Owner pursuant to this Paragraph 14.2.2 Contractor shall not be entitled to any further payment under this Contract except to the extent of any amount by which Work completed or installed by Contractor prior to such termination and not previously paid for by Owner exceeds the amount due by Contractor to Owner under this Paragraph 14.2.2

§ 14.2.3 When the Owner terminates the Contract for one of the reasons stated in Section 14.2.1, the Contractor shall not be entitled to receive further payment until the Work is finished or the Project is abandoned by the Owner. It is recognized that: (1) if an order for relief is entered on behalf of Contractor pursuant to Title 11 of the United States Code, (2) if any other similar order is entered under any other debtor relief laws, (3) if Contractor makes general assignment for the benefit of its creditors, (4) if a receiver is appointed for the benefit of its creditors, or (5) if a receiver is appointed on account of its insolvency, any such event could impair or frustrate Contractor’s performance of the Contract Documents. Accordingly, it is agreed that upon the occurrence of any such event, Owner shall be entitled to request of Contractor or its successor in interest adequate assurance of future performance in accordance with the terms and conditions of the Contract Documents. Failure to comply with such request within ten (10) days of delivery of the request shall entitle Owner to terminate the Contract Documents and to the accompanying rights set forth above in Paragraph 14.2.1 hereof. In all events pending receipt of adequate assurance of performance and actual performance in accordance therewith, Owner shall be entitled to proceed with the Work with its own forces or with other contractors on a time and material or other appropriate basis, the reasonable cost of which will be backcharged against the Contract Sum.

§ 14.2.4 If the unpaid balance of the Contract Sum exceeds costs of finishing the Work, including compensation for the Architect’s services and expenses made necessary thereby, and other damages incurred by the Owner and not expressly waived, such excess shall be paid to the Contractor. If such costs and damages exceed the unpaid balance, the Contractor shall pay the difference to the Owner. The amount to be paid to the Contractor or Owner, as the case may be, shall be certified by the Initial Decision Maker (if any), upon application, and this obligation for payment shall survive termination of the Contract.

§ 14.3 SUSPENSION BY THE OWNER FOR CONVENIENCE

§ 14.3.1 The Owner may, without cause, order the Contractor in writing to suspend, delay or interrupt the Work in whole or in part for such period of time as the Owner may determine.
§ 14.3.2 The Contract Sum and Contract Time shall be adjusted for increases in the cost and time caused by suspension, delay or interruption as described in Section 14.3.1. Adjustment of the Contract Sum shall include profit. No adjustment shall be made to the extent
  .1 that performance is, was or would have been so suspended, delayed or interrupted by another cause for which the Contractor is responsible; or
  .2 that an equitable adjustment is made or denied under another provision of the Contract.

§ 14.4 TERMINATION BY THE OWNER FOR CONVENIENCE
§ 14.4.1 The Owner may, at any time, terminate the Contract for the Owner’s convenience and without cause.

§ 14.4.2 Upon receipt of written notice from the Owner of such termination for the Owner’s convenience, the Contractor shall
  .1 cease operations as directed by the Owner in the notice;
  .2 take actions necessary, or that the Owner may direct, for the protection and preservation of the Work; and
  .3 except for Work directed to be performed prior to the effective date of termination stated in the notice, terminate all existing subcontracts and purchase orders and enter into no further subcontracts and purchase orders.

§ 14.4.3 In case of such termination for the Owner’s convenience, the Contractor shall be entitled to receive payment for Work executed, and reasonable costs incurred by reason of such termination, along with reasonable overhead and profit on the Work not executed.

§ 14.5 PRIME SUBCONTRACTOR’S RIGHTS WITH REGARD TO TERMINATION
§ 14.5.1 Notwithstanding any other term of the Contract Documents, no termination of the Contract shall be effective without written notice of such termination to Prime Subcontractor no less than ten (10) days prior to the effective date of such termination. To the extent that the Contract Documents or applicable law give the Contractor the right to cure any default before termination, the Prime Subcontractor shall have an equal right to cure such default and, provided that the Prime Subcontractor was not responsible for such default, to assume the Contractor’s rights and remaining obligations under the Agreement. Upon such assumption by Prime Subcontractor, Contractor’s rights in the Contract shall be assigned and transferred to Prime Subcontractor.

ARTICLE 15 CLAIMS AND DISPUTES
§ 15.1 CLAIMS
§ 15.1.1 DEFINITION
A Claim is a demand or assertion by one of the parties seeking, as a matter of right, payment of money, or other relief with respect to the terms of the Contract. The term “Claim” also includes other disputes and matters in question between the Owner and Contractor arising out of or relating to the Contract. The responsibility to substantiate Claims shall rest with the party making the Claim.

§ 15.1.2 NOTICE OF CLAIMS
Claims by either the Owner or Contractor must be initiated by written notice to the other party and to the Initial Decision Maker with a copy sent to the Architect, if the Architect is not serving as the Initial Decision Maker. Claims by either party must be initiated within a reasonable time after occurrence of the event giving rise to such Claim or within a reasonable time after the claimant first recognizes the condition giving rise to the Claim, whichever is later.

§ 15.1.3 CONTINUING CONTRACT PERFORMANCE
Pending final resolution of a Claim, except as otherwise agreed in writing or as provided in Section 9.7 and Article 14, the Contractor shall proceed diligently with performance of the Contract and the Owner shall continue to make payments in accordance with the Contract Documents. The Architect will prepare Change Orders and issue Certificates for Payment in accordance with the decisions of the Initial Decision Maker.
§ 15.1.4 CLAIMS FOR ADDITIONAL COST
If the Contractor or its Prime Subcontractor wishes to make a Claim for an increase in the Contract Sum, written notice
as provided herein shall be given before proceeding to execute the Work. Prior notice is not required for Claims
relating to an emergency endangering life or property arising under Section 10.4.

§ 15.1.5 CLAIMS FOR ADDITIONAL TIME
§ 15.1.5.1 If the Contractor or its Prime Subcontractor wishes to make a Claim for an increase in the Contract Time,
written notice as provided herein shall be given. The Claim shall include, to the extent reasonably determinable, an
estimate of cost and of probable effect of delay on progress of the Work. In the case of a continuing delay, only one
Claim is necessary.

§ 15.1.5.2 If adverse weather conditions are the basis for a Claim for additional time, such Claim shall be documented
by data substantiating that weather conditions (including the physical conditions of the jobsite caused by adverse
weather) were abnormal for the period of time, could not have been reasonably anticipated and had an adverse effect
on the scheduled construction.

§ 15.1.6 CLAIMS FOR CONSEQUENTIAL DAMAGES
The Contractor and Owner waive Claims against each other for consequential damages arising out of or relating to this
Contract. This mutual waiver includes
1. damages incurred by the Owner for rental expenses, for losses of use, income, profit, financing,
business and reputation, and for loss of management or employee productivity or of the services of such
persons; and
2. damages incurred by the Contractor for losses of financing, business and reputation, and for loss of
profit except anticipated profit arising directly from the Work.

This mutual waiver is applicable, without limitation, to all consequential damages due to either party’s termination in
accordance with Article 14. Nothing contained in this Section 15.1.6 shall be deemed to preclude an award of
liquidated damages, when applicable, in accordance with the requirements of the Contract Documents.

§ 15.2 INITIAL DECISION
§ 15.2.1 If the parties have elected to designate an Initial Decision Maker in the Agreement, claims, excluding those
arising under Sections 10.3, 10.4, 11.3.9, and 11.3.10, shall be referred to the Initial Decision Maker for initial
decision. Except for those Claims excluded by this Section 15.2.1, an initial decision shall be required as a condition
precedent to mediation of any Claim arising prior to the date final payment is due, unless 30 days have passed after the
Claim has been referred to the Initial Decision Maker with no decision having been rendered. Unless the Initial
Decision Maker and all affected parties agree, the Initial Decision Maker will not decide disputes between the
Contractor and persons or entities other than the Owner.

§ 15.2.2 The Initial Decision Maker will review Claims and within ten days of the receipt of a Claim take one or more
of the following actions: (1) request additional supporting data from the claimant or a response with supporting data
from the other party, (2) reject the Claim in whole or in part, (3) approve the Claim, (4) suggest a compromise, or (5)
advise the parties that the Initial Decision Maker is unable to resolve the Claim if the Initial Decision Maker lacks
sufficient information to evaluate the merits of the Claim or if the Initial Decision Maker concludes that, in the Initial
Decision Maker’s sole discretion, it would be inappropriate for the Initial Decision Maker to resolve the Claim.

§ 15.2.3 In evaluating Claims, the Initial Decision Maker may, but shall not be obligated to, consult with or seek
information from either party or from persons with special knowledge or expertise who may assist the Initial Decision
Maker in rendering a decision. The Initial Decision Maker may request the Owner to authorize retention of such
persons at the Owner’s expense.

§ 15.2.4 If the Initial Decision Maker requests a party to provide a response to a Claim or to furnish additional
supporting data, such party shall respond, within ten days after receipt of such request, and shall either (1) provide a
response on the requested supporting data, (2) advise the Initial Decision Maker when the response or supporting data
will be furnished or (3) advise the Initial Decision Maker that no supporting data will be furnished. Upon receipt of the
response or supporting data, if any, the Initial Decision Maker will either reject or approve the Claim in whole or in part.
§ 15.2.5 The Initial Decision Maker will render an initial decision approving or rejecting the Claim, or indicating that the Initial Decision Maker is unable to resolve the Claim. This initial decision shall (1) be in writing; (2) state the reasons therefor; and (3) notify the parties and the Architect, if the Architect is not serving as the Initial Decision Maker, of any change in the Contract Sum or Contract Time or both. The initial decision shall not be binding on the parties.

§ 15.2.6 Either party may file for mediation of an initial decision at any time, subject to the terms of Section 15.2.6.1.

§ 15.2.6.1 Either party may, within 30 days from the date of an initial decision, demand in writing that the other party file for mediation within 60 days of the initial decision. If such a demand is made and the party receiving the demand fails to file for mediation within the time required, then both parties waive their rights to mediate or pursue binding dispute resolution proceedings with respect to the initial decision.

§ 15.2.7 In the event of a Claim against the Contractor or its Prime Subcontractor, the Owner may, but is not obligated to, notify the surety, if any, of the nature and amount of the Claim. If the Claim relates to a possibility of a Contractor’s or Prime Subcontractor’s default, the Owner may, but is not obligated to, notify the surety and request the surety’s assistance in resolving the controversy.

§ 15.2.8 If a Claim relates to or is the subject of a mechanic’s lien, the party asserting such Claim may proceed in accordance with applicable law to comply with the lien notice or filing deadlines.

§ 15.3 MEDIATION
§ 15.3.1 [Intentionally omitted.]

§ 15.3.2 The Parties to a Claim (which shall be the Owner and the Contractor and shall include the Prime Subcontractor with regard to a Claim against the Prime Subcontractor by the Owner or a Claim to which the Prime Subcontractor is authorized in the Contract or Prime Subcontract to make directly against the Owner) shall endeavor to resolve their Claims by mediation which, unless the parties mutually agree otherwise, shall be administered by the American Arbitration Association in accordance with its Construction Industry Mediation Procedures in effect on the date of the Agreement. Any Party to the Claim may request mediation by filing a request for mediation in writing, delivered to the other Party to the Claim. Mediation may occur prior to or concurrently with an arbitration proceeding. A request for mediation shall not stay or delay an arbitration except by agreement of the Parties to the Claim or order of the arbitrator for good cause shown.

§ 15.3.3 The Parties to the Claim shall share the mediator’s fee and any filing fees equally. The mediation shall be held in the County where the Project is located, unless another location is mutually agreed upon. Agreements reached in mediation shall be enforceable as settlement agreements in any court having jurisdiction thereof.

§ 15.4 ARBITRATION
§ 15.4.1 If the parties have selected arbitration as the method for binding dispute resolution in the Agreement, any Party to the Claim subject to, but not resolved by, mediation shall be subject to arbitration which, unless the Parties to the Claim mutually agree otherwise, shall be administered by the American Arbitration Association in accordance with its Construction Industry Arbitration Rules in effect on the date of the Agreement. A demand for arbitration shall be made in writing, delivered to the other Party/Parties to the Claim, and filed with the person or entity administering the arbitration. The party filing a notice of demand for arbitration must assert in the demand all Claims then known to that party. All demands for arbitration and all answering statements thereto which include any monetary claim must state the monetary amount being sought. In the event the monetary amount is unliquidated or has not been fully determined, the demand or answering statement seeking such recovery shall state the minimum amount of such monetary claim, exclusive of interest and attorney’s fees. When a party fails to include a Claim through excusable neglect or when a Claim has matured or been acquired subsequently, the arbitrator or arbitrators may permit amendment.

§ 15.4.1.1 A demand for arbitration shall be made within a reasonable time after the Claim has arisen, but in no event shall it be made after the date when the institution of legal or equitable proceedings based on the Claim would be barred by the applicable statute of limitations. For statute of limitations purposes, receipt of a written demand for
arbitration by the person or entity administering the arbitration shall constitute the institution of legal or equitable proceedings based on the Claim.

§ 15.4.1.2 The applicable Construction Industry Arbitration Rules of the American Arbitration Association which shall govern or control all arbitrations of Claims or disputes arising under this Agreement are hereby amended or modified as set forth below.

§ 15.4.1.2.1 All arbitrations involving monetary claims in excess of $1,000,000, exclusive of interest and attorneys’ fees, shall be decided by an arbitration panel consisting of three (3) persons.

§ 15.4.1.2.2 The arbitrator or panel of arbitrators shall establish reasonable procedures and requirements for the production of relevant documents, require the exchange of information concerning witnesses to be called. For arbitrations involving monetary claims in excess of $50,000: (1) the parties shall be entitled to discover all documents and information reasonably necessary for a full understanding of any legitimate issue raised in the arbitration and (2) the parties may use all methods of discovery available under the Federal Rules of Civil Procedure and shall be governed thereby. Prior to the deposition of any expert witness, the party proposing to call such a witness shall provide a full and complete report by the expert, together with the expert’s calculations and other data by which the expert reached any opinions concerning the subject matter of the arbitration. The report shall be provided no less than ten (10) days prior to the date set for the expert witness’ deposition. Any disputes arising from such discovery shall be decided by the arbitrator (or panel) and such decision shall be final as in all other matters.

§ 15.4.1.2.3 There shall be a prehearing meeting between the parties at which each party shall present a memorandum disclosing the factual basis of its claim and defenses and disclosing legal issues raised. The memorandum shall also disclose the names of any expert a party shall present as a witness during the proceedings. At the prehearing meeting, the arbitrator (or panel) shall make rulings and set schedules for hearing consistent with their powers as set forth herein.

§ 15.4.1.2.4 The Federal Rules of Evidence shall be applied by the arbitrator (or panel) but liberally construed to allow for the admission of evidence that is helpful in resolving the controversy. Rulings on the admission of evidence made by the arbitrator (or panel) at the hearing shall be final as in all other matters.

§ 15.4.2 The award rendered by the arbitrator or arbitrators shall be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof.

§ 15.4.3 The foregoing agreement to arbitrate and other agreements to arbitrate with an additional person or entity duly consented to by parties to the Agreement shall be specifically enforceable under applicable law in any court having jurisdiction thereof.

§ 15.4.4 CONSOLIDATION OR JOINDER
§ 15.4.4.1 Either party, at its sole discretion, may consolidate an arbitration conducted under this Agreement with any other arbitration to which it is a party provided that (1) the arbitration agreement governing the other arbitration permits consolidation, (2) the arbitrations to be consolidated substantially involve common questions of law or fact, and (3) the arbitrations employ materially similar procedural rules and methods for selecting arbitrator(s).

§ 15.4.4.2 Either party, at its sole discretion, may include by joinder persons or entities substantially involved in a common question of law or fact whose presence is required if complete relief is to be accorded in arbitration, provided that the party sought to be joined consents in writing to such joinder. Consent to arbitration involving an additional person or entity shall not constitute consent to arbitration of any claim, dispute or other matter in question not described in the written consent.

§ 15.4.4.3 The Owner and Contractor grant to any person or entity made a party to an arbitration conducted under this Section 15.4, whether by joinder or consolidation, the same rights of joinder and consolidation as the Owner and Contractor under this Agreement.
Dated: ____ day of February, 2018.

**OWNER: Dale Carnegie SRO, Ltd., a Texas limited partnership**

By: NHH Dale Carnegie, LLC, a Texas limited liability company, its general partner

By: Houston Area Community Development Corporation, a Texas nonprofit corporation, its sole member

By: ________________________________

Joy Horak-Brown, President & CEO

**CONTRACTOR: Houston Area Community Development Corporation**

By: ________________________________

Joy Horak-Brown, President & CEO
PRIME SUBCONTRACT

1. Variable Defined Terms. This agreement (“Prime Subcontract”) is made by and between Contractor and Prime Subcontractor with reference to the following terms:

   “Prime Subcontract Date”: As of the ___ day of ______________, 2018

   “Contractor”: Houston Area Community Development Corporation
   Address: 1117 Texas Avenue
              Houston, Texas 77002

   “Contractor’s Representative”: Joy Horak-Brown, President & CEO

   Prime Subcontractor”: Camden Builders, Inc.
   Address: 11 Greenway Plaza, Suite 2400
              Houston, Texas 77046

   “Prime Subcontractor’s Representative”: Bobby Rivers, VP Construction

   “Owner”: Dale Carnegie SRO, Ltd.
   Address: 1117 Texas Avenue
              Houston, Texas 77002

   "Project": New Hope Housing Dale Carnegie Project to be located at Dale Carnegie Lane and Regency Square Boulevard, Houston, Texas, 77036.

   “Property”: The land described in Exhibit A.

   “Prime Contract”: Standard Form of Agreement Between Owner and Contractor for the Project dated and executed as of the Prime Subcontract Date above, by and between Contractor and Owner, and the Exhibits attached thereto and incorporated therein, and the General Conditions made a party thereof, copies of which are attached as Exhibit D, together with all such modifications and amendments thereto attached as Exhibit D.

   “Work”: As defined and described in the Prime Contract.

   “Prime Subcontract Price”: The “Contract Sum” as defined in the Prime Contract.

2. Definitions, Cross-references. Terms with initial capital letters are defined terms. Bold italicized print in quotations marks (e.g., “Indemnify”) indicates the definition of a term. If a defined term is not expressly defined in this Prime Subcontract, such defined term will have the same meaning as in the Prime Contract. A defined term has the same meaning throughout this Prime Subcontract, may appear in this Prime Subcontract before its definition, and applies to all grammatical variations of the term also shown with initial capital letters (e.g., the definition of the word “Indemnify” also applies to “Indemnity”).
3. **Persons Referenced in this Prime Subcontract.**

3.1 **Persons.** “Person” means a natural person, a trust or estate, or a corporation, partnership, limited liability company or other form of entity.

3.2 **Parties.** The “Parties” to this Prime Subcontract are the Contractor and the Prime Subcontractor. Prime Subcontractor is an independent contractor of Contractor.

3.3 **Representatives.** The Parties’ respective Representatives are named in Paragraph 1. A Representative is authorized to act under the terms of this Prime Subcontract on behalf of the Party appointing such Representative. A Party may change its Representative by 10 days’ written notice to the other Party.

3.4 **Affiliate.** An “Affiliate” of a Person is any other Person that directly or indirectly, through one or more intermediaries, Controls, is Controlled by, or is under common Control with such Person. “Control” refers to the power to make, over-rule, or approve management decisions.

3.5 **Sub-subcontractor.** A “Sub-subcontractor” is a Person contracting with Prime Subcontractor to perform a portion of the Work.

3.6 **Supplier.** A “Supplier” is a Person contracting with Prime Subcontractor to furnish Materials or Equipment for the Work.

3.7 **Subcontractor-related Persons.** The “Subcontractor-related Persons” are (i) Prime Subcontractor, (ii) Prime Subcontractor’s Representative, (iii) all Sub-subcontractors and other Persons involved in performance of the Work that are required by this Prime Subcontract or the Prime Contract to be managed or supervised by Prime Subcontractor, (iv) the shareholders, members, managers, partners, and Affiliates of the Persons described in items (i) through (iii), and (v) the officers, managers, directors, employees and agents of the Persons described in items (i) through (iv).

3.8 **Contractor-related Persons.** The “Contractor-related Persons” are (i) Contractor, (ii) Contractor’s Representative, (iii) Owner, (iv) any lender whose loan is secured by a lien against the Property, (v) tenants of the Project, (vi) the respective shareholders, members, partners, managers, and Affiliates of the Persons described in items (i) through (v), and (vii) any officers, managers, directors, employees and agents of the Persons described in items (i) through (vi).

4. **Duties.**

4.1 **General Obligations and Rights of Prime Subcontractor.** Prime Subcontractor will (i) perform all of the covenants and obligations of Contractor under, and comply with all of the conditions imposed upon Contractor in, the Prime Contract in the manner, to the standards, and within the time limits set forth in the Prime Contract, (ii) owe all of the same duties to Contractor as Contractor owes to Owner under the Prime Contract, and (iii) have all of the same rights and remedies with respect to Contractor as Contractor has with respect to Owner in the Prime Contract. Without limiting the foregoing, the Prime Subcontractor shall have all such rights to an increase in the Prime Subcontract Price and an extension of any Contract Time requirements imposed on the Prime Subcontractor to the same extent, and subject to the same terms and conditions, as the Prime Contractor would have thereto under the Prime Contract.

4.2 **General Obligations and Rights of Contractor.** Contractor will (i) perform all of the covenants and obligations of Owner under, and comply with all of the conditions imposed upon Owner in, the Prime Contract in the manner within the time limits set forth in the Prime Contract, (ii) owe all of
the same duties to Prime Subcontractor as Owner owes to Contractor under the Prime Contract, and (iii) have all of the same rights and remedies with respect to Prime Subcontractor as Owner has with respect to Contractor in the Prime Contract.

4.3 **Insurance.** In addition to continuously maintaining in force all of the minimum insurance coverages and policy endorsements required to be maintained by Contractor under the Prime Contract ("Required Insurance") and delivering to Owner any certificates or other proof of insurance in the form and at the times required by the Prime Contract, Prime Subcontractor will add Contractor as an “additional insured” under all liability policies and will simultaneously deliver to Contractor duplicate copies of any proof of insurance required to be delivered to Owner by Contractor under the Prime Contract.

4.4 **Sub-subcontractor’s Insurance.** Each Sub-subcontractor must maintain the general liability and workers compensation insurance coverage as required by the Prime Contract or as otherwise agreed in writing by the Contractor and the Prime Subcontractor. At Prime Subcontractor's option, Prime Subcontractor may elect to arrange for the Sub-subcontractors to be insured under a controlled insurance program ("CIP") which provides general liability coverages substantially similar to or in excess of the coverages required by the Prime Contract. Prime Subcontractor will maintain certificates and evidence of insurance with regard to coverages for all Sub-subcontractors and make such certificates and evidence of insurance available to Contractor and Owner upon request.

4.5 **Sales Tax Exemption.** Contractor represents to Prime Subcontractor that Contractor is a tax-exempt entity and is not required to pay any sales, consumer, use or similar taxes (collectively, “Sales Taxes”) with respect to any Equipment or Materials incorporated by Prime Subcontractor or Sub-subcontractors into the Work. Prime Subcontractor will obtain Contractor’s Sales-Tax exemption certificates and distribute such certificates to appropriate employees and Sub-subcontractors and will use, and cause its Sub-subcontractors to use, such certificates correctly to prevent any Sales Taxes from being inadvertently charged to the Project or Contractor. Provided that Prime Subcontractor complies with the requirements set forth in this Section 4.5 and in Section 5.1 regarding separated contracts, Contractor shall indemnify and hold harmless Prime Subcontractor from any claim or loss, including Legal Costs, arising from a collection action brought by the applicable sales tax authority to recover sales, consumer, use or similar taxes arising from Prime Subcontractor with regard to the Project.

4.6 **Promotional Materials.** Prime Subcontractor will not name any Contractor-related Person or the Property in any promotional materials without the prior consent of Contractor.

4.7 **Foreign Drywall.** Prime Subcontractor shall not knowingly cause to be used and shall exercise reasonable care to prevent any use of drywall (also known as, without limitation, plasterboard, gypsum board, and Sheetrock) manufactured in or imported from China ("Foreign Drywall") in the construction of the Project.

5. **Compensation for Work.**

5.1 **Payment.** As full consideration for performance of the Work by Prime Subcontractor, Contractor will pay or cause Owner to pay directly to Prime Subcontractor the Prime Subcontract Price based upon applications for payment (“Payment Requests”) submitted to Contractor by Prime Subcontractor.

**Prime Subcontract Price.** The Contractor shall pay the Prime Subcontract Price to the Prime Subcontractor in current funds for performance of the Prime Subcontract. The Prime Subcontract Price is the Cost of the Work incurred by the Prime Subcontractor, plus the Prime Subcontractor's Fee, the Prime Subcontractor’s Reimbursable Conditions Costs (as provided in the Prime Contract) and the Prime
Subcontractor’s Reimbursable Overhead (as provided in the Prime Contract). The Cost of the Work shall mean those costs necessarily incurred by the Prime Subcontractor in the performance of the Work under the Prime Subcontract, to the same extent that the Contractor would be entitled to recover from the Owner for the performance of such Work under the Prime Contract.

**Prime Subcontractor’s Fee.** The Prime Subcontractor’s Fee is Six percent (6%) of the Cost of the Work.

**Guaranteed Maximum Prime Subcontract Price.** The sum of the estimated Cost of Work, including the Prime Subcontractor’s Contingency and Reimbursable Conditions Cost, together with the Prime Subcontractor’s Fee is guaranteed by the Prime Subcontractor not to exceed a Guaranteed Maximum Prime Subcontract Price in the amount of Seventeen Million, Four Hundred Nineteen Thousand, Nine Hundred Sixty Nine and no/100 Dollars ($17,419,969.00) to be confirmed or modified in the GMP Amendment prepared in accordance with the requirements of the Prime Contract and agreed to by the Prime Subcontractor, subject to additions and deductions by Change Order as provided in the Contract Documents. Cost that would cause the Guaranteed Maximum Prime Subcontract Price to be exceeded shall be paid by the Prime Subcontractor without reimbursement by the Owner or Contractor.

The Prime Subcontract Price is estimated to be allocated as follows: (a) an estimated not-to-exceed amount of the Prime Subcontract Price shall be established in the GMP Amendment that will be allocated to and payable for the skill and labor to be provided by Prime Subcontractor and its Sub-subcontractors (the “Services”), including fabrication, installation and any other labor performed by Prime Subcontractor and/or its sub-subcontractors (the “Services Payment”), and (b) an estimated not-to-exceed amount of the Prime Subcontract Price shall be established in the GMP Amendment that will be allocated to and payable for all construction materials (the “Materials”) to be or previously incorporated into the Project (the “Materials Payment”). Prime Subcontractor will provide to Contractor a final allocation of the Prime Subcontract Price between Materials and Services within thirty (30) days following Final Completion. The total Prime Subcontract Price shall be equal to the Guaranteed Maximum Prime Subcontract Price (see above) as confirmed or modified in the GMP Amendment prepared in accordance with the requirements of the Prime Contract and agreed to by the Prime Subcontractor, subject to additions and deletions to the Materials Payment and/or the Services Payment as may be agreed to by Prime Subcontractor and Contractor, which Materials Payment and/or the Services Payment shall be further increased or decreased in accordance with such additions and deletions to the Contract Sum under the Prime Contract as may be agreed to by the Owner and Contractor with the Consent of the Prime Subcontractor. Contractor and Prime Subcontractor shall jointly designate the portion of each such adjustment that is attributable to the Materials Payment and/or the Services Payment. Each Payment Request shall specify the portion of the application for payment that is allocated to a Materials Payment and that portion that is allocated to a Services Payment. The Prime Subcontract Price is also subject to such Clarifications and Assumptions as are applicable to the Contract Sum under the Prime Contract as set forth in Exhibit B to the Prime Contract. Contractor shall not agree with the Owner as to any change in the Contract Sum under the Prime Contract (or to any other change in the scope of the Work thereunder) without the express consent of the Prime Subcontractor. Payment Requests will be submitted in the form required for Applications for Payments under the Prime Contract. Payment to Prime Subcontractor may be in the form of checks or wire transfers directly from Owner Prime to Prime Subcontractor. In no event will Contractor be liable for a payment to Prime Subcontractor under this Prime Subcontract until such time as Contractor has received funds under the Prime Contract from Owner for the same Work or Materials.

5.1.1 **Partial Payments.** Each calendar month during the performance of the Work, Prime Subcontractor will submit to Contractor a fully completed and executed Payment Request for the portion of the Work completed and unincorporated Materials suitably stored in accordance with Section 5.1.3 below as of the last day of the immediately preceding calendar month (“Partial Payment Request”).
Partial Payment Requests will be submitted on the dates and accompanied by the documentation set forth in the Prime Contract for Applications for Payment for progress payments. Upon compliance with the applicable City requirements as stipulated in the Contract Documents, Contractor will pay or cause Owner to pay directly to Prime Subcontractor the amount of a Partial Payment Request, less any retainage or other amounts permitted to be withheld by Owner pursuant to Prime Contract on or before time specified for payment of progress payments in the Prime Contract. Without limiting the foregoing, Prime Subcontractor’s Fee, Prime Subcontractor’s Reimbursable Conditions Costs, and Prime Subcontractor’s Reimbursable Overhead shall be computed as provided herein and the Prime Contract and shall be paid based upon the overall percentage of completion of the Work in accordance with the Contract Documents through such progress payment period and shall not be subject to audit, document back-up, or cost verification.

Prime Subcontractor does not guarantee the individual line items in its schedule of values and shall be entitled to use established savings in line items to pay for Cost of the Work in excess of those line items where Prime Subcontractor has encountered a short-fall, except to the extent a cost would cause the Guaranteed Maximum Prime Subcontract Price to be exceeded. As the sub-subcontracts under each line item are "bought out" or actual costs under a line item have otherwise been fixed and savings are achieved, Prime Subcontractor shall be entitled to amend the schedule of values, with the written approval of the Owner and the Contractor, such approval not to be unreasonably withheld, by moving such savings to other Cost of the Work line items, provided Prime Subcontractor can show such additional savings to the extent a line item is being reduced. Such line item savings shall be available to the Prime Subcontractor to cover reimbursable Costs of the Work resulting from unforeseen conditions (for which Prime Subcontractor is responsible), events not evidenced at the time of the execution of this Agreement, and other costs and expenses incurred by Prime Subcontractor in connection with the Work in excess of particular line items in the schedule of values. Prime Subcontractor's line item savings shall not be used for increased costs for design changes which constitute a change in the scope of the Work, or Owner or Contractor directed changes in the Work for which Prime Subcontractor is otherwise entitled under the Contract Documents to an increase in the Guaranteed Maximum Prime Subcontract Price, unless otherwise agreed to in writing by Contractor and Prime Subcontractor.

5.1.2 Final Payment. Upon compliance with the applicable City requirements as stipulated in the Contract Documents, Contractor will pay or cause Owner to pay directly to Prime Subcontractor the entire unpaid balance of the Contract Price ("Final Payment") on the date specified in the Prime Contract for payment of the final Application for Payment upon satisfaction of all conditions contained in the Prime Contract with respect to payment of the final Application for Payment.

5.1.3 Unincorporated Materials. Payment Requests may include the cost of Materials not incorporated in the Work but delivered and suitably stored at a location in the manner provided in the Prime Contract or as agreed in writing by Contractor and Prime Subcontractor and covered by Prime Subcontractor’s property insurance.

5.1.4 Releases. Together with each Partial Payment Request, Prime Subcontractor will deliver a partial release of lien rights in the form required by the Prime Contract current through the date of the Partial Payment Request. When required by the Prime Contract, Prime Subcontractor will also deliver with each Partial Payment Request a Partial Release from each Sub-subcontractor and Supplier through the date of the previous Partial Payment Request. Prime Subcontractor will deliver with the Payment Request for Final Payment a final release of lien ("Final Release") in the form required by the Prime Contract. Delivery of the Partial and Final Releases and Contractor’s approval of the Payment Requests are conditions precedent to Contractor's obligation to pay the Payment Requests.

5.1.5 Schedule of Values. The Schedule of Values shall be the Schedule of Values attached to the GMP Amendment to the Prime Contract as approved by the Prime Subcontractor. Such
Schedule of Values may be amended by the Parties on the same basis as the Schedule of Values may be amended under the terms of the Prime Contract.

5.1.6 **Bonding Around Mechanics’ Liens.** Prime Subcontractor may bond around a mechanics’ or materialmen’s lien filed by a Sub-subcontractor or Supplier to the extent Contractor may bond around a similar lien in accordance with the provisions of § 13.10.1 of the General Conditions of the Contract for Construction attached to the Prime Contract.

5.2 **Withholding Payment.** Contractor may withhold from a Payment Request any amount permitted to be withheld by Owner under the Prime Contract from Contractors Applications for Payment.

5.3 **Prime Subcontractor’s Records.** Prime Subcontractor will maintain books and records pertaining to the Work in accordance with requirements of the Prime Contract. Prime Subcontractor will provide Contractor with copies of any expenses shown on any Payment Request (to the extent that the Prime Contract calls for such expenses to be reimbursed on an actual cost basis).

5.4 **Disposition of Payments.** Contractor has no obligation with respect to the proper disposition or application of any monies paid by Contractor to Prime Subcontractor.

5.5 **Contingent Assignment of Rights to Payment.** In the event that the Prime Subcontractor is not paid such sums that are due in accordance with the requirements of the Prime Subcontract, Contractor hereby contingently assigns its rights against the Owner to secure and collect such sums arising under the Prime Contract and applicable law to the Prime Subcontractor, including its constitutional and statutory lien rights and its rights to bring an action directly against the Owner for collection of such sums due.

5.6 **Prime Subcontractor’s Lien Rights.** Notwithstanding any other term in the Prime Contract or this Prime Subcontract, the Contractor acknowledges and agrees that, for purposes of Prime Subcontractor's statutory and constitutional mechanic's lien rights, Prime Subcontractor is an original contractor as defined in Section 53.206 of the Texas Property Code.

6. **Suspension, Termination, and Default.**

6.1 **Suspension of Work.** Contractor may delay the commencement or completion of, or suspend Prime Subcontractor’s performance of the Work, at such times as Owner is permitted to delay the commencement or completion of, or suspend Contractor’s performance of the Work under the Prime Contract. In any of such events, the time for performance and the Contract Price under this Prime Subcontract will be adjusted, if necessary, in the same manner and in the same amounts as the Contract Time and Contract Sum are adjusted in the Prime Contract.

6.2 **Termination Without Cause.** Contractor may terminate this Prime Subcontract without cause in the same manner as Owner may terminate the Prime Contract without cause.

6.3 **Prime Subcontractor’s Default.** Prime Subcontractor will be in default under this Prime Subcontract if (i) any representation made or information submitted by Prime Subcontractor is not true and correct in all material respects, (ii) Prime Subcontractor or any Sub-subcontractor fails to comply fully and timely with any condition of this Prime Subcontract or the Prime Contract, or (iii) Prime Subcontractor fails to perform fully and timely any covenant of Prime Subcontractor contained in this Prime Subcontract or covenant of Contractor to be performed in the Prime Contract.
6.4 Prime Subcontractor's Suspension of the Work or Termination. Prime Subcontractor may delay the commencement, suspend performance of the Work and/or terminate this Prime Subcontract, at such times and for such grounds and pursuant to such procedures as Contractor is permitted to delay the commencement, suspend performance of the Work and/or terminate the Prime Contract under the Prime Contract. In such event, Prime Subcontractor shall have such remedies, including such rights of recovery against the Contractor, as Contractor is entitled to exercise, including such rights of recovery against the Owner, under the Prime Contract.

6.5 Remedies Cumulative. Unless otherwise expressly limited in this Prime Subcontract, each Party's rights and remedies under this Article 6 are in addition to any other of their respective rights and remedies contained in this Prime Subcontract or available under Applicable Law.

6.6 Termination for Bankruptcy. If Prime Subcontractor becomes subject to a proceeding under the United States Bankruptcy Code ("Bankruptcy") and, in the reasonable opinion of Contractor, is unable to fulfill its obligations under this Prime Subcontract because of the Bankruptcy, Contractor will notify Prime Subcontractor in writing. If Prime Subcontractor is unable to provide adequate assurance of future performance reasonably satisfactory to Contractor within 20 days after receiving Contractor’s notice, Prime Subcontractor agrees that this Prime Subcontract should be rejected and/or terminated and will take no action which would impede the efforts of Contractor to have this Prime Subcontract rejected and/or terminated by a Bankruptcy court.

7. Indemnities and Releases. THE PRIME SUBCONTRACTOR SHALL INDEMNIFY, DEFEND, AND HOLD HARMLESS THE PRIME CONTRACTOR AND OWNER TO THE SAME EXTENT AND SUBJECT TO THE SAME TERMS AND CONDITIONS AS THE CONTRACTOR HAS AGREED TO INDEMNIFY, DEFEND, AND HOLD HARMLESS THE OWNER UNDER THE PRIME CONTRACT.


8.1 Definition. A “Hazardous Substance” means all hazardous or toxic substances, wastes or materials, any pollutants or contaminants (including, without limitation, petroleum, petroleum-based products, asbestos and raw materials which include hazardous constituents, radon or urea formaldehyde), and any other similar substances, or materials which are included or regulated by any local, state, or federal law, rule or regulation pertaining to environmental regulation, contamination, clean-up or disclosure, including, without limitation, the Comprehensive Environmental Response Compensation and Liability Act of 1980, the Superfund Amendments and Reauthorization Act of 1986, the Resource Conservation and Recovery Act, the Toxic Substances Control Act, the Federal Insecticide Fungicide and Rodenticide Act, each as amended.

8.2 General Covenants. For so long as Subcontractor-related Persons are on the Property (whether or not this Prime Subcontract has expired or been terminated), Prime Subcontractor will not cause or permit the storage, use, disturbance, release, generation or disposal of Hazardous Substances on the Property in violation of Applicable Law. Prime Subcontractor will immediately notify Contractor of any Hazardous Substances contamination or spillage Arising From the activities of a Subcontractor-related Person and, within 30 days after receipt of an invoice therefor, reimburse Contractor for all expenses reasonably incurred by Contractor in connection with the clean up or other remediation of such Hazardous Substances.
9. Claims and Dispute Resolution.

9.1 Waiver of Consequential and Punitive Damages. Each Party hereby waives consequential and punitive damages against the other Party to the same extent that the Owner and the Contractor waive consequential and punitive damages against each other in the Prime Contract.

9.2 Dispute Resolution Procedures. Any dispute or claim arising under this Prime Subcontract shall be subject to and decided by the procedures required under the Prime Contract for the resolution of disputes or claims under the Prime Contract. Without limiting the foregoing, all disputes or claims arising under this Prime Subcontract shall be decided as provided in the Prime Contract.

9.3 Legal Costs. If any legal action or alternative dispute resolution proceeding is brought by either Party to enforce the terms of this Prime Subcontract, the prevailing Party in such action or proceeding will be entitled to court costs, reasonable attorneys’ fees, experts’ fees or other expenses incurred in investigating, preparing, prosecuting or settling any legal or alternative dispute resolution action or proceeding ("Legal Costs").


10.1 Entire Contract. This Prime Subcontract and any other agreements or contracts referenced in this Prime Subcontract constitute the entire agreement between the Parties. No oral statements or prior written proposals or agreements which are not specifically incorporated into this Prime Subcontract will be effective. Contractor will not be bound by any purported consent, approval or modification of this Prime Subcontract or deemed to have waived or Released any provision of this Prime Subcontract, unless such consent, approval, modification, waiver, or Release is in writing and signed by Contractor. No amendment to this Prime Subcontract will be effective unless such amendment or request is in writing and executed by Owner.

10.2 Governing Law; Venue. This Prime Subcontract will be governed by, construed in accordance with, and enforced under the Applicable Law of the state of Texas. Proper venue for any legal action brought under this Prime Subcontract will be in Harris County, Texas.

10.3 Interpretation. All headings in this Prime Subcontract are for convenience of reference only and not part of this Prime Subcontract. No construction or inference will be derived from the headings. This Prime Subcontract may be executed in any number of counterparts, each of which will be deemed an original and all of which taken together will be deemed one and the same document. Each Party has reviewed, and had an opportunity to have legal counsel review, this Prime Subcontract; therefore, the rule of construction that any ambiguities are to be resolved against the drafting Party will not be employed to interpret this Prime Subcontract. The word “including” does not exclude items not listed. Unless the context otherwise requires, singular includes the plural and plural the singular, and masculine, feminine and neuter genders are interchangeable. Unless expressly provided otherwise, the word “day” refers to a calendar day.

10.4 Conformity with Applicable Law. All Applicable Law affecting the legality, validity or enforceability of any provision of this Prime Subcontract, including Indemnity or Release, is made a part of such provision and will operate to amend such provision to the minimum extent necessary to bring the provision into conformity with Applicable Law and cause the provision, as modified, to continue in full force and effect. If any provision of this Prime Subcontract is held to be illegal, invalid or unenforceable under Applicable Law, such provision will be deemed removed from this Prime Subcontract and this Prime Subcontract will be reformed to carry out the Parties’ intent to the maximum extent practicable under Applicable Law.
10.5 **Successors and Assigns.** This Prime Subcontract benefits and binds the respective legal representatives, successors, and permitted assigns of Contractor and Prime Subcontractor. Owner is a third party beneficiary to this Prime Subcontract.

10.6 **Transfer.** Neither party may Transfer any or all of its interest in this Prime Subcontract or the Property without the prior consent of Contractor, such consent not to be unreasonably withheld. “Transfer” means any voluntary or involuntary, direct or indirect, assignment or encumbrance, including a pledge, a change of control of ownership interests, a liquidation, dissolution, merger or consolidation of a Party, or a delegation of any obligations under this Prime Subcontract.

10.7 **Interest of Contractor.** The term “Contractor” means only a Person which is the holder of Contractor’s interest in this Prime Subcontract at the time in question. Immediately upon the Transfer by Contractor of its interest in this Prime Subcontract (provided such Transfer is authorized by this Prime Subcontract), the Transferring Person will be Released from all obligations of “Contractor” thereafter arising under this Prime Subcontract, and Prime Subcontractor will look solely to the new Contractor for performance of such obligations.

10.8 **No Waiver.** No waiver by Contractor of Prime Subcontractor’s compliance with any provisions or conditions of this Prime Subcontract on one occasion will be deemed to be a waiver of similar or dissimilar provisions or conditions of this Prime Subcontract. The failure of Contractor to demand full compliance by Prime Subcontractor or a Sub-subcontractor with respect to the Required Policies will not constitute a Release by Contractor with respect to Prime Subcontractor’s or any Sub-subcontractor’s obligation to maintain the Required Policies. Prime Subcontractor’s obligations under this Prime Subcontract will not be diminished or Released by reason of any consent, approval or payment by Contractor.

10.9 **Survival of Provisions.** The termination or expiration of this Prime Subcontract will not affect (i) any right or obligation of either Party which accrued or vested prior to such termination or expiration, (ii) any continuing obligation, liability or responsibility of Prime Subcontractor, including Prime Subcontractor’s obligations under Articles 4, 5, 6, 7, and 8, or (iii) any related provisions necessary to interpret and continue such rights, obligations, liabilities or responsibilities.

10.10 **Time of Essence.** Time is of the essence in Prime Subcontractor’s performance of this Prime Subcontract and every provision and term of this Prime Subcontract.

10.11 **Exhibits.** The following exhibits are a part of the Business Points of this Prime Subcontract and are attached to and a part of this Prime Subcontract:

- **Exhibit A:** Description of the Land
- **Exhibit B:** Schedule of Values
- **Exhibit C:** New Hope Housing Media Relations Policy
- **Exhibit D:** Prime Contract

10.12 **Effective Date.** This Prime Subcontract will become effective only after its full execution and delivery by both Parties. The Prime Subcontract Date will be prima facie evidence as to the date when this Prime Subcontract becomes effective.

10.13 **Notice.** All notices must be in writing even though some, but not all, provisions in this Prime Subcontract refer to “written notice(s)” or “notice(s) in writing.” All notices must be delivered personally; sent by United States certified mail, postage prepaid, return receipt requested (“US Mail”); placed in the custody of Federal Express Corporation or other nationally recognized overnight courier for
next day delivery ("Courier"); or transmitted by confirmed telephonic facsimile ("Fax"). Notices will be deemed to be effective when received, if delivered personally; the third business day after posting, if sent by US Mail; and the next business day, if sent by Courier or Fax. If notice is transmitted by Fax, a duplicate copy will be sent by either US Mail or Courier no later than one business day after transmission by Fax. Email communications are solely for the convenience of the Parties and will not constitute valid or effective notice for purposes of this Prime Subcontract. All notices, including all inquiries, requests, instructions, authorizations and communications will be made to the appropriate Representative. In order to be effective, notices from Prime Subcontractor to Contractor changing Prime Subcontractor’s Representative, terminating this Prime Subcontract, or alleging a Claim against any Contractor-related Person or nonperformance or default by Contractor, must be addressed and sent to Contractor at Contractor’s address given in Article 1.

10.14 Warranties. Prime Subcontractor hereby Transfers to Contractor and consents to the Contractor's Transfer to Owner of any guarantees or warrantees given by the Prime Subcontractor, Sub-subcontractors or Suppliers in connection with the Work, Materials or Equipment.

10.15 Separated Contract. It is the intent of Contractor and Prime Subcontractor that this Prime Subcontract constitute a separated contract for purposes of Rule 3.291(a)(12) of the Title 34 of the Texas Administrative Code.

PRIME SUBCONTRACTOR:  
Camden Builders, Inc.

By: ______________________
Name: Steve Hefner
Title: Senior Vice-President Construction

CONTRACTOR:  
Houston Area Community Development Corporation

By: ______________________
Name: Joy Horak-Brown
Title: President & CEO
EXHIBIT A

PROPERTY DESCRIPTION

See Exhibit E attached to Prime Contract.
EXHIBIT B

SCHEDULE OF VALUES

See Exhibit C attached to Prime Contract.
EXHIBIT C

MEDIA & COMMUNITY RELATIONS POLICY
EXHIBIT TO CONTRACT

See Attached.
EXHIBIT D

PRIME CONTRACT

See Attached.
1. **Site Acreage**
   Please identify site acreage as listed in each of the following exhibits/documents.

<table>
<thead>
<tr>
<th>Site Control</th>
<th>Site Plan</th>
<th>Appraisal</th>
<th>ESA</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.978</td>
<td>1.979</td>
<td>n/a</td>
<td>1.978</td>
</tr>
</tbody>
</table>

   (*) Should equal acreage indicated in site control documents less acreage intended to be dedicated, sold or used for public purpose and not to be encumbered by LURA (net acreage). The net acreage will be used for calculating density for all purposes.

   Please provide an explanation of any discrepancies in site acreage below:

   The metes and bounds and survey provided by the seller inaccurately listed 1.978 acres. This was the acreage used by the environmental review firm. Surveyor verified the subject property is 1.979 acres, a 44SF difference.

2. **Site Control - §10.204(10)**
   The current owner of the Development Site is (If scattered site & more than one owner refer to Tab 13):

<table>
<thead>
<tr>
<th>Entity Name</th>
<th>Contact Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>ZAYA &amp; SHERRY YOUNAN FAMILY TRUST</td>
<td>The Zaya and Sherry Younan Family Trust</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Address</th>
<th>City</th>
<th>State</th>
<th>Zip</th>
<th>Date of Last Sale</th>
</tr>
</thead>
<tbody>
<tr>
<td>12377 Merit Drive, Suite 250</td>
<td>Dallas</td>
<td>TX</td>
<td>77036</td>
<td>10/5/2007</td>
</tr>
</tbody>
</table>

   Is the seller affiliated with the Applicant, Principal, sponsor, or any Development Team member? No

   If “Yes,” please explain:

   Did the seller acquire the property through foreclosure or deed in lieu of foreclosure? No

   Identify all of the sellers of the proposed property for the 36 months prior to the first day of the Application Acceptance Period and their relationship, if any, to members of the Development Team:

<table>
<thead>
<tr>
<th>Name</th>
<th>Relationship</th>
</tr>
</thead>
<tbody>
<tr>
<td>ZAYA &amp; SHERRY YOUNAN FAMILY TRUST</td>
<td>n/a</td>
</tr>
</tbody>
</table>

   Site Control is in the form of:

   - [X] Contract for sale.
   - [ ] Recorded Warranty Deed with corresponding executed closing/settlement statement.
   - [ ] Contract for lease.

   Expiration of Contract or Option: 12/31/2018 Anticipated Closing Date: 10/31/2018

   Title Commitment or Title Policy is included behind this tab (per §10.204(12)).

3. **Site Control - §10.204(10)**
   Ingress/Egress and Easements (9% and 4% HTC Only) - §11.7
   Is land for ingress and/or egress and any easements held separate from the property described in the site control documents? No

   If yes, describe how any such land is held. Identify the land owner and describe any agreements the Applicant has or will enter into with the land owner.
4. **30% increase in Eligible Basis "Boost" (9% and 4% HTC Only) - §11.4(c)**

<table>
<thead>
<tr>
<th>Development qualifies for the boost for:</th>
</tr>
</thead>
<tbody>
<tr>
<td>[ ] Qualified Census tract that has less than 20% HTC Units per household</td>
</tr>
<tr>
<td>[ ] Development is located in a Small Area Difficult Development Area (SADDA)</td>
</tr>
<tr>
<td>[ ] Rural Development <em>(Competitive HTC only)</em></td>
</tr>
<tr>
<td>[X] Development is entirely Supportive Housing <em>(Competitive HTC Only)</em></td>
</tr>
<tr>
<td>[ ] Development meets the criteria for the Opportunity Index as identified in §11.9(c)(4) of the Qualified Allocation Plan <em>(Competitive HTC only)</em></td>
</tr>
<tr>
<td>[ ] Development is in an area covered by a concerted revitalization plan and elects and is eligible for points under §11.9(d)(7), is not Elderly, and is not located in a QCT. <em>(Competitive HTC only)</em></td>
</tr>
<tr>
<td>[ ] Development includes an additional 10% of units at 30% AMI. <em>Must be in addition to the number of units needed for any scoring item or any other funding source from MF Direct Loan requirements.</em> <em>(Competitive HTC only)</em></td>
</tr>
<tr>
<td>[ ] Development is in a QCT with 20% or greater Housing Tax Credit Units per household, and a resolution from the Governing Body of the appropriate municipality or county allowing the construction of the Development is included behind Tab 8**</td>
</tr>
</tbody>
</table>

** Resolution not due until Resolutions Delivery Date for Tax-Exempt Bond Developments
Support Documentation from Site Information Part III Should be Included Behind this Tab.

- Site Control Documentation
- Title Commitment or Policy
- Each of the Direct Loan exhibits identified below (as applicable)

Increase in Eligible Basis (30% Boost)

- Resolution from the Governing Body of the appropriate municipality or county allowing the construction of the Development, if applicable.
- Census tract map that includes the 11-digit census tract number and clearly shows that the proposed Development is located within a QCT, if applicable
- SADDA map clearly showing the Development is located within the boundaries of a SADDA, if applicable

Site & Neighborhood Standards (New Construction Direct Loan only)

Confirm the following supporting documents are provided behind this tab.

- Letters on company letterhead from local utility providers confirming the site has access to the following services: water and wastewater/sewer, electricity, garbage disposal and natural gas, if applicable.
- Statement explaining how the Development will promote greater choice of housing opportunities and avoid undue concentration of assisted persons in areas containing a high proportion of low-income persons.
- DP-1 Profile of General Demographic Characteristics (2010) Census data for the census tract and city (and county if proposed site is located in a rural area) where the proposed site will be located. DP-1 Census data can be accessed using the Advanced Search option at www.census.gov.
- A statement confirming that travel time and cost via public transportation or private automobile, from the neighborhood to places of employment providing a range of jobs for lower-income workers, is not excessive. This is not applicable for Developments proposing to serve Elderly.
CONTRACT OF SALE
(Approximately 1.978 Acre Tract, Dale Carnegie Land and Regency Square Blvd., Houston, Texas)

THIS CONTRACT OF SALE (this "Contract") is made by and between ZAYA YOUNAN and SHERRY YOUNAN, TRUSTEES of the ZAYA and SHERRY YOUNAN FAMILY TRUST dated May 27, 2010 (collectively, the "Seller") and NEW HOPE HOUSING, INC. (the "Purchaser") on this 8 day of January, 2018.

WITNESSETH:

A. Seller desires to sell and convey, and Purchaser desires to purchase and pay for, the Property (hereinafter defined) upon and subject to and expressly conditioned upon the terms and conditions set forth herein.

B. The parties hereto desire to set forth in writing all of the terms, conditions, and agreements by and between the parties in accordance with the terms and conditions hereafter set forth.

NOW, THEREFORE, for and in consideration of the premises, and the covenants, conditions and agreements hereinafter contained, the parties hereto agree as follows:

1. Purchase and Sale.

Upon and subject to and expressly conditioned upon the terms and conditions set forth herein, Seller agrees to sell and convey to Purchaser and Purchaser agrees to purchase from Seller, approximately 1.978 acres of land as generally depicted on Exhibit "A" by the cross-hatched lines which is attached hereto and incorporated herein by reference for all pertinent purposes (the "Land"), with the exact legal description of the Land to be in metes and bounds to be determined by the Survey as set forth in Paragraph 5(c) below, together with all assignable licenses, contracts, reports, and governmental approvals related to the Land and all of Seller's right, privileges, title and interest in and to the rights and appurtenances belonging or pertaining solely to such Land, including any right, title and interest of Seller in and to the centerline of adjacent roads, streets, alleys, easements, and rights-of-way (collectively the "Appurtenances") to the extent (but only to the extent) that the same relate to the Land (collectively, the "Property"), but specifically excluding from the interests to be conveyed to Purchaser pursuant to the terms hereof, the Reservations (hereinafter defined) set forth in Paragraph 13(o) below. The Reservations described in Paragraph 13(o) below shall constitute Permitted Exceptions (as hereinafter defined).

2. Purchase Price.

The purchase price of the Property shall be One Million Two Hundred Ninety-Five Thousand and No/100 Dollars ($1,295,000.00) (the "Purchase Price").
3. Earnest Money.

Purchaser shall timely deposit as earnest money (the “Earnest Money”), within five (5) business days after the date of this Contract by wire transfer, by check dated no later than the date of delivery to the Title Company with immediate availability of good funds upon presentation of the check, or by a cashier’s check (the “Check”) payable to the order of Stewart Title Guaranty Company (the “Title Company”) in the amount of Ten Thousand and No/100 Dollars ($10,000.00) with Title Company, at the following address: 1980 Post Oak Blvd., Houston, Texas 77056, Attention: Beth Forrest; Telephone: 713-232-4326; E-mail: beth.forrest@steward.com. The Title Company shall hold the Earnest Money hereunder in an interest bearing demand account, insured by the Federal Deposit Insurance Corporation, or another governmental agency providing insurance of accounts and backed by the full faith and credit of the United States government. All interest accruing on the Earnest Money shall be added to the account and shall constitute a part of the Earnest Money for the purposes of this Contract. In the event that this Contract is actually closed and consummated in accordance with the terms hereof, the Earnest Money shall be applied toward the cash payment due at Closing (hereinafter defined) by Purchaser to Seller in accordance with the terms of Paragraph 4 herein below. In the event that this Contract is not actually closed and consummated in accordance with the terms hereof, the Earnest Money shall be disbursed by Title Company to Seller or Purchaser (as appropriate) in accordance with the terms of this Contract. In the event that Purchaser shall fail to timely deposit the Earnest Money (or, if in the form of a check, the bank on whom such check is drawn refuses to fully honor such check when negotiated and presented for payment by the Title Company) and if Purchaser fails to correct such error within two (2) business days of being notified that the Earnest Money has not been deposited, this Contract shall by written notice from Seller to Purchaser terminate and neither party shall have any further obligations or liabilities hereunder except for any provisions of this Contract, which by their terms, expressly survive any such termination.

4. Payment of Purchase Price.

The Purchase Price shall be paid by Purchaser delivering to the Title Company at Closing funds in cash or by current wire transfer of federal funds or other evidence of current funds acceptable to Title Company for immediate disbursement by Title Company to Seller at Closing. Purchaser shall have the responsibility of providing same-day immediately available funds so that disbursements of proceeds shall be made on the day of Closing.

5. Title and Survey.

(a) On or before twenty (20) days after the date of this Contract, Seller shall, at Seller’s sole cost and expense, obtain and deliver to Purchaser (i) a current Commitment for Owner Policy of Title Insurance in favor of Purchaser (hereinafter referred to as the “Title Commitment”) issued by the Title Company, (ii) legible copies of all recorded instruments (“Title Documents”) shown as exceptions in the Title Commitment (or as legible copies as exist and are available), (iii) most recent tax certificates available and relating to the Property; and (iv) any other restrictions currently filed of record that otherwise burden the Land.
(b) The Title Commitment shall describe the Land as set forth in the Survey in accordance with the terms and provisions of Paragraph 5(c) below. The legal description of the Land set forth on the Survey (defined below) shall be incorporated into the Commitment and this Contract as Exhibit "A", and shall constitute the legal description for purposes of the closing documents until such time as the Plat (as set forth in Paragraph 5(d) below), if any, is filed at the time of Closing at which time the parties shall use the description of the Land set forth on the Plat, if applicable.

(c) Purchaser, at Purchaser's sole cost and expense (provided; however, Seller agrees to reimburse Purchaser up to a maximum of $2,500.00 for the cost of an ALTA survey at the Closing), shall obtain and deliver to Seller and the Title Company a current ALTA survey (the "Survey") of the Land within sixty (60) days following the date of this Contract, containing a metes and bounds description of the Land, setting forth the acreage comprising the Land, and noting the existence, location, and dimensions of any and all easements, public or private rights-of-way, creeks or drainage ways, floodways or flood plains. The Survey is intended to be and shall be sufficient to permit the Title Company to modify the standard printed exception in the Owner Policy of Title Insurance pertaining to discrepancies in area or boundary lines, encroachments, overlapping of improvements, or similar matters (herein called the "Survey Exception") in the event that Purchaser elects to obtain such additional coverage at Purchaser's sole cost and expense. The Survey shall also indicate the location of all improvements on the Land, if any, and shall contain a surveyor's certificate substantially identical to Exhibit "B" attached hereto and fully incorporated herein by reference for all purposes, certifying to Seller, Purchaser, the Title Company, and all of Purchaser's requested designees. Purchaser's obligation to pay for the Survey shall survive the termination of this Contract. Upon completion of the Survey, Seller's approval of the Survey, which approval shall not be unreasonably withheld or delayed, and agreement by Title Company, Seller and Purchaser as to the form and substance of the metes and bounds description of the Land in the Survey, the metes and bounds description of the Land shall be attached as Exhibit "A" to this Contract and shall be deemed the Land for all purposes.

(d) Purchaser shall have the right to review the Title Commitment, Survey and Title Documents until the expiration of the initial Review Period (as defined below), but not any Extended Review Period (as defined below), provided that all of Seller's Cure Periods (as defined below) have expired (the "Title Review Period"). Purchaser shall, prior to the expiration of the Title Review Period, notify Seller in writing as to whether the Title Commitment and Survey are acceptable or unacceptable (in whole or in part) to Purchaser. In the event Purchaser does not so notify Seller prior to the expiration of the Title Review Period, all exceptions to title referenced in the Title Commitment and all matters shown in the Survey and excepted to in the Title Commitment shall be deemed to constitute "Permitted Exceptions" hereunder. Upon the expiration of the Title Review Period, in the event Purchaser does so notify Seller prior to the expiration of the Title Review Period, Purchaser shall be deemed to have accepted all exceptions to title referenced in the Title Commitment and all matters shown in the Survey except for matters which are the subject of a notification made pursuant to the second grammatical sentence of this Paragraph 5(d), and such accepted exceptions shall be included in the term "Permitted Exceptions" as used herein. In the event that Purchaser does timely object to any title exceptions or matters
shown in either the Title Commitment or the Survey within the Title Review Period, Seller shall have a period of twenty (20) days ("Seller’s Cure Period") within which to eliminate or modify (or agree in writing to so eliminate or modify) any such unacceptable exceptions or items to the reasonable satisfaction of Purchaser, but Seller shall have no obligation whatsoever to so eliminate or modify any such unacceptable exceptions or items. If Seller fails to notify Purchaser in writing within Seller’s Cure Period, such failure shall be deemed Seller’s refusal to cure such unacceptable items. In the event that Seller is unable or unwilling to eliminate or modify (or agree in writing to so eliminate or modify) such unacceptable items to the reasonable satisfaction of Purchaser on or before the end of Seller’s Cure Period, Purchaser may within five (5) business days after the expiration of Seller’s Cure Period either (i) waive such objections and accept title to the Property subject to such unacceptable items (which items shall then be deemed to constitute part of the “Permitted Exceptions”), or (ii) terminate this Contract by written notice to Seller prior to Closing and Purchaser shall be entitled to an immediate refund from Title Company of all Earnest Money previously deposited by Purchaser with Title Company (subject to Purchaser’s delivery of all Third Party Reports (as hereinafter defined)), less the option fee specified in Paragraph 13(f), whereupon this Contract shall automatically be terminated and of no further force and effect, except with respect to those provisions of this Contract which expressly survive any such termination. Purchaser’s failure to timely terminate this Contract pursuant to clause (ii) above shall be deemed to constitute Purchaser’s waiver of such objections and acceptance of title to the Property subject only to the Permitted Exceptions. Notwithstanding the foregoing, at or before Closing, Seller must (1) resolve the items that are listed on Schedule C of the Title Commitment that are applicable to the Property or to Seller, (2) remove all liquidated liens arising by, through or under Seller or cause same to be fully bonded around to the reasonable satisfaction of the Title Company and Purchaser, (3) remove all exceptions that arise by, through or under Seller after the date of this Contract (excluding any exceptions arising out of Purchaser platting the Property or arising from those matters described in Paragraph 6(d) below, and (4) eliminate or modify those title objections that Seller during the Seller Cure Period has agreed in writing to so eliminate or modify to Purchaser’s satisfaction. Seller and Purchaser currently understand that the Land will not be required to be replatted in order to legally convey the Property to Purchaser, provided, however, if during the Review Period it is determined that a re-plat of the Land is required to legally convey the Property to Purchaser, Purchaser shall, prior to the Closing, cause the Land to be platted into a legal lot (in two separate parcels) at its sole cost and expense and as a condition precedent to Seller’s obligation to convey the Property to Purchaser. However, any re-plat required due to Purchaser’s proposed development of the Property shall not be a condition precedent to Purchaser’s obligation to purchase the Property and any such re-plat shall be post-closing and at Purchaser’s sole cost and expense. In the event Purchaser replats the Property prior to the Closing, the final approval of the replat by the City of Houston ("Final Replat Approval") shall constitute a waiver of Purchaser’s right to terminate this Contract during the Review Period and all Earnest Money, Extension Fees (hereinafter defined) and Closing Extension Fees (hereinafter defined) shall be deemed non-refundable, except in the event of a default by Seller and Seller failure to cure such default within the applicable cure period. Seller agrees to cooperate in all reasonable respects with Purchaser to obtain re-platting of the Property, provided, however, that all out-of-pocket expenses and costs, regardless of kind or character, associated with Purchaser’s efforts to replat the Property shall be borne solely by Purchaser and Purchaser
shall save, defend, indemnify and hold Seller and the Property harmless therefrom which indemnity shall expressly survive the termination of this Contract and Closing.

(e) Except to the extent otherwise expressly provided elsewhere herein, should any exceptions to title first arise subsequent to the date of this Contract or be first disclosed to Purchaser following the expiration of the Title Review Period but prior to Closing, Purchaser shall have the same right of review as described in Paragraph 5(d) as to such additional items or matters, except that the initial Title Review Period of Purchaser applicable to such additional items or matters shall be for a period expiring on the date that is seven (7) business days following the date Purchaser receives a revised Commitment for Owner Policy of Title Insurance setting forth such additional items or matters and any Title Documents not previously made available to Purchaser in lieu of the initial review period following the receipt of the Title Commitment and Survey, and any further time periods as set forth in Paragraph 5(d) shall expire on the date that is the final day of the specified time period, as extended pursuant to this Paragraph 5(e) herein [with the Closing Date to be automatically extended if necessary to afford Purchaser and Seller the applicable time periods under the terms and provisions of this Paragraph 5(e)]; provided, however, under no circumstances may the Closing be extended beyond twenty (20) days after the initial Closing Date, unless expressly agreed to by the parties pursuant to a written and fully executed amendment to this Contract.

6. Inspection.

(a) Seller agrees that Purchaser shall have until 5:00 P.M. Houston, Texas time on July 1, 2018 (the “Review Period”) in which to make all inspections or investigations desired by Purchaser with respect to the Property or any portion thereof (including without limitation inspections, tests, studies, reports, and investigations relating to the applicable zoning of the Property, engineering and economic feasibility, soils condition, environmental condition/ hazardous condition/toxic materials, topography, compliance with applicable restrictive covenants, if any, and availability of utilities); provided, however, no invasive environmental inspections or other invasive inspections or sampling of soil or materials shall be performed without the prior written consent of Seller, which consent will not be unreasonably withheld or delayed and if consented to by Seller, the proposed scope and party to perform the work shall be subject to Seller’s review and written approval. In that regard, Purchaser, through its authorized agents and/or representatives, shall be entitled to enter upon the Property at all reasonable times prior to the expiration of the Review Period specified in this Paragraph 6(a) (and thereafter until Closing if this Contract is not terminated prior to the expiration of the Review Period), upon reasonable prior notice to Seller. In the event at the end of the Review Period or the Extended Review Period, if applicable, this Contract is not otherwise timely terminated by Purchaser, the Earnest Money shall be deemed non-refundable (except in the event of Seller’s default hereunder). Notwithstanding the foregoing, Purchaser shall have the option to extend the Review Period for up to two (2) additional successive sixty (60) day periods each (each an “Extended Review Period”) by giving Seller and Title Company written notice three (3) business days prior to the expiration of the initial Review Period and the first Extended Review Period, as and if applicable, of its exercise of such extension option and the delivery to Title Company of the amount of $10,000.00 in good funds for each such extension (the “Extension Fees”).
which Extension Fees shall be held as additional Earnest Money hereunder. Each Extension Fee shall be refundable, provided Purchaser terminates this Contract prior to the expiration of the final applicable Extended Review Period and prior to Final Replat Approval. If Purchaser does not terminate this Contract by the end of the Review Period or the Extended Review Period, if applicable, and prior to Final Replat Approval, the Extension Fees shall be non-refundable except for Seller’s default, but applicable to the Purchase Price in the event the Closing occurs.

(b) If, within the Review Period (as it may be extended pursuant to the terms hereof) but prior to Final Replat Approval, Purchaser shall, for any reason in Purchaser’s sole and absolute discretion, judgment and opinion, disapprove or be dissatisfied with any aspect of the Property, then Purchaser shall be entitled to terminate this Contract by giving written notice thereof to Seller and Title Company prior to (i) the expiration of the Review Period (or Extended Review Period, if applicable) and (ii) Final Replat Approval and the Earnest Money shall be immediately returned by Title Company to Purchaser (subject to Purchaser’s delivery of all Third Party Reports), less the option fee set forth in Paragraph 13(f) below, whereupon this Contract shall automatically be terminated and thereafter neither Seller nor Purchaser shall have any further obligations or liabilities to the other hereunder except with respect to those provisions of this Contract which expressly survive any such termination. If Purchaser fails to deliver such written notice to Seller of Purchaser’s termination of the Contract prior to the expiration of the Review Period (or Extended Review Period, if applicable), Purchaser shall be deemed to have waived its right to terminate this Contract pursuant to this Paragraph 6(b). Notwithstanding anything in this Contract to the contrary, upon Final Plat Approval, all Earnest Money, Extension Fees and Closing Extension Fees shall become non-refundable, except in the event of a Seller default that is not cured within the applicable cure period.

(c) Purchaser agrees not to unreasonably interfere with the business of Seller or of any tenants, if any, with regard to the Property and Purchaser shall restore the Property to as near the same condition as it existed immediately prior to the conducting of any such inspection, study or investigation as is reasonably practicable immediately upon completion of each such inspection, study or investigation conducted by Purchaser, and Purchaser covenants and agrees not to allow or permit any liens or encumbrances to arise or exist against the Property or any part thereof as a result of any such inspections or investigations and to immediately remove and cause to be released of record any such liens or encumbrances placed on the Property or any part thereof in violation of this provision. PURCHASER SHALL PROMPTLY PAY AND DISCHARGE AND SHALL SAVE, DEFEND, INDEMNIFY AND HOLD SELLER AND THE PROPERTY HARMLESS FROM ANY AND ALL LOSS, COST, EXPENSE, DAMAGE, LIABILITY, MECHANICS’ OR MATERIALMEN’S LIEN OR CLAIM OF LIEN, ACTION OR CAUSE OF ACTION, INCLUDING WITHOUT LIMITATION REASONABLE ATTORNEYS’ FEES, ARISING FROM OR RELATING TO ANY AND ALL SUCH INSPECTIONS, STUDIES, INVESTIGATIONS OR ENTRIES UPON THE PROPERTY BY PURCHASER OR ITS AGENTS OR REPRESENTATIVES. Notwithstanding anything to the contrary contained elsewhere herein, Purchaser hereby acknowledges that all information furnished by Seller to Purchaser or obtained by Purchaser
in the course of Purchaser’s investigation of the Property, or in any way arising from or relating to any and all studies or entries upon the Property by Purchaser, its agents or representatives, shall, unless such information is already available to the public, be treated as confidential information and further, that if any such confidential information is disclosed to third parties (other than the third parties engaged in the course of Purchaser’s inspection of the Property), Seller may suffer damages and irreparable harm. In connection therewith, Purchaser hereby expressly understands, acknowledges and agrees (i) that Purchaser will not disclose any of the contents or information contained in any reports or studies made in connection with Purchaser's investigation of the Property, in any form whatsoever (including, but not limited to, any oral information received by Purchaser during the course of Purchaser's inspection of the Property), to any party other than the Seller, Seller's agents or representatives, or Purchaser's agents, representatives, attorneys, consultants or potential lenders and investors, and other than as required by applicable law or process of law, without the prior express written consent of Seller (which consent shall not be unreasonably withheld, conditioned or delayed); (ii) upon the termination of this Contract and as a precondition to Title Company's returning of the Earnest Money to Purchaser to furnish Seller with copies of all reports or studies made by third parties (but not any reports or studies generated internally by Purchaser) in connection with Purchaser's inspection, study or investigation of the Property, including Survey and replatting documents ("Third Party Reports"); and (iii) that Seller is relying on Purchaser's covenant not to disclose any of the contents or information contained in any such reports or investigations to third parties other than those engaged in Purchaser's inspection of the Property or those parties excepted in subpart (ii) hereof (to the extent it is deemed to be confidential information by the provisions of this Paragraph 6). The covenants and agreements of Purchaser set forth in this Paragraph 6 shall expressly survive the termination of this Contract. Notwithstanding any other statement in this Contract, with respect to any and all Third Party Reports furnished by Purchaser to Seller upon the termination of this Contract, Seller hereby expressly agrees, acknowledge, and understands that Purchaser makes no representations or warranties as to the accuracy and/or completeness of said Third Party Reports.

(d) Prior to Closing and subject to the conditions set forth in Paragraph 14(b) below, Seller agrees to execute, or join with Purchaser in the execution of, such applications for utilities, permits and licenses from any governmental authority as may be reasonably necessary or appropriate to effectuate Purchaser’s planned development of the Property, provided that no such application shall constitute an encumbrance of or with respect to the Property, and Seller shall not incur or become liable for any obligation as a result thereof.

(e) Within ten (10) business days after the date of this Contract, Seller shall deliver to Purchaser, by electronic transmission, for Purchaser’s review, true and correct copies of the following to the extent the same may be in Seller’s actual possession:

(i) Title Report/Title Commitment;
(ii) Any ALTA Survey if in Seller's possession or control;
(iii) Phase I Environmental Report if in Seller's possession;
(iv) Any other environmental reports, architectural studies, zoning studies or reports, hazardous waste studies, and geotechnical reports in Seller's possession;

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(v) Copies of all tax bills with respect to the Property for the preceding two (2) year period;
(vi) Copies of all permits, entitlement documents, zoning reports, and mitigation agreements with any governmental agency that affect the Property;
(vii) Copies of all correspondence with any/all municipal, county, state and/or federal agencies for the preceding two (2) year period that may affect the Property;
(viii) Copies of any written contracts, agreements, warranties, etc. that currently affect the Property.

provided, however, Seller shall not be required to provide any internally generated reports, marketing materials, letters of intent, offers or contracts to purchase the Property, opinions of values or appraisals of the Property. Seller makes no representations or warranties concerning the accuracy or completeness of any information contained in any documentation or items furnished to Purchaser by or on behalf of Seller pursuant to the terms and provisions of this Paragraph 6(e) or the qualifications of the persons or parties preparing same. No less than thirty-five (35) days prior to the date of the Closing, Purchaser shall notify Seller in writing of any contracts or leases which can be terminated upon 30-days prior written notice without penalty (as described in subparts (viii) and/or (ix) above) which Purchaser will not agree to assume or accept, and as a pre-condition to Closing, Seller shall terminate any such unacceptable contracts or leases prior to Closing. Seller shall have no obligation to terminate and Purchaser agrees to assume any contract or lease which cannot be terminated upon thirty (30) days prior written notice without penalty. If Purchaser fails to timely deliver such written notice rejecting one or more contracts or leases that can be terminated without penalty upon no more 30-days prior written notice, Purchaser shall expressly assume such contracts and leases at the Closing.

(f) Until Closing, Seller will (a) maintain the Property as it existed on the date of this Contract, except for reasonable wear and tear and casualty damage; (b) operate the Property in the same manner as it was operated on the date of this Contract; (c) comply with all contracts and governmental regulations affecting the Property; (d) not permit any lien or encumbrance to be placed on or affect the Property that will not be fully and finally released as of the Closing Date; and (e) not transfer or dispose of any of the Property or any interest therein. Until the end of the Review Period, Seller will not enter into any new or amend or terminate any existing lease or contract that affects the Property without Purchaser’s prior written consent which shall not be unreasonably withheld, conditioned or delayed. After the end of the Review Period, Seller will not enter into any new or amend or terminate any existing lease or contract that affects the Property without Purchaser’s prior written consent, which Purchaser may withhold in its sole discretion.

7. Condemnation.

If, prior to Closing, the Property or any portion thereof shall be condemned or conveyed in lieu thereof, or Seller shall receive written notification of an intent to condemn the Property or any portion thereof by any authority having such power, upon the receipt of same, Seller shall promptly so notify Purchaser in writing. In the event any portion of the Property is condemned or conveyed in lieu thereof or Seller receives written notification of an intent to condemn any portion of the
Property, Purchaser may terminate this Contract by written notice to Seller on or before the earlier to occur of (i) that date which is ten (10) business days following written disclosure to Purchaser of such threatened taking or taking, or (ii) the Closing Date (provided, however, in no event earlier than five (5) business days following written disclosure to Purchaser of such threatened taking or taking). If Purchaser fails to terminate this Contract as provided above, then Purchaser shall be conclusively deemed to have accepted such threatened taking or taking and waived any right to terminate this Contract as a result thereof. If Purchaser elects (or is deemed to have elected) to accept such threatened taking or taking of any portion of the Property and waive (or is deemed to have waived) any right to terminate this Contract on account of such threatened taking or taking as a result thereof, despite said threatened taking, or condemnation, Purchaser shall (despite such threatened taking or condemnation) close and consummate the purchase of the portion of the Property still remaining (after any such condemnation) without any reduction in the Purchase Price and Seller shall at Closing pay to Purchaser any and all condemnation proceeds theretofore received by Seller in connection with such threatened taking and condemnation (or, if not yet received, transfer and assign such award to Purchaser for which the condemning authority is obligated to provide as compensation therefor) and assign to Purchaser all rights of Seller in and to any and all claims therefor existing on the part of Seller and applicable to such threatened taking and condemnation.

If, prior to the Closing Date, any part of the Property is destroyed or suffers material damage affecting Purchaser’s intended use, Purchaser shall have the right, exercisable by giving notice of such decision to Seller within ten (10) business days after receiving written notice of such damage or destruction or condemnation threat, to terminate this Contract, in which event the Earnest Money (after delivery to Seller of Third Party Reports) shall be returned to Purchaser and all rights and obligations of the parties hereunder shall cease, save and except those rights and/or obligations that expressly survive Closing. If Purchaser does not timely elect to terminate this Contract, all insurance and/or condemnation proceeds payable to Seller shall be paid or assigned to Purchaser.

8. Closing.

(a) The consummation of the transaction evidenced by this Contract (the “Closing”) shall be held on or before December 31, 2018 (the “Closing Date”); however, Purchaser may extend the Closing up to three (3) successive times for an additional thirty (30) day period each, by payment of a $10,000.00 extension fee (each a "Closing Extension Fee") to Seller in good funds three (3) business days prior to the then applicable Closing Date. Each Closing Extension Fee shall be non-refundable except for Seller’s default, but applicable to payment of the Purchase Price.

(b) At the Closing, Seller shall furnish and deliver to Title Company for delivery to Purchaser (or cause the Title Company to deliver to Purchaser, as applicable):

(i) a Special Warranty Deed (the “Deed”) dated as of the Closing Date, conveying the Land according to the legal description described in Paragraph 1 above, or if such legal description has been modified by the Title Commitment or Survey in accordance with Paragraph 5 hereof, then the Property shall be conveyed by such modified legal description, the Deed being subject only to the Permitted Exceptions and in form and substance substantially similar to Exhibit “C” attached hereto and fully incorporated herein by reference for all purposes (but with the Deed to be appropriately amended in the event
that Purchaser obtains third-party financing and Purchaser requests Seller to include in the Deed the reservation and transfer of a Vendor’s Lien for the benefit of such third-party lender or other such changes that are requested by third-party lender or investor and reasonably acceptable to Seller, but with any such third-party financing not being a condition to this Contract other than possibly forming the basis, in whole or in part, of Purchaser’s election to terminate this Contract pursuant to the terms and provisions of Paragraph 6(b) hereof, or appropriately amended to account for or incorporate by reference any matter discovered during the term of this Contract) and it is expressly agreed that approval by Purchaser of the form of deed is not and shall not be deemed to be approval by Purchaser of any Permitted Exceptions described therein, all such Permitted Exceptions (other than those Permitted Exceptions that are expressly stated in this Contract) to be agreed to (or not) or waived (or not) during either the Title Review Period or Review Period, as applicable;

(ii) possession of the Property subject only to the Permitted Exceptions;

(iii) at Seller's sole cost and expense (excluding any premium for the amendment of the standard survey and boundaries exception and any other endorsements which premiums shall be paid by Purchaser), an Owner Policy of Title Insurance in the full amount of the Purchase Price, containing no exceptions to title other than the standard printed exceptions (except as modified pursuant to the terms hereof with all premiums for all endorsements to be paid by Purchaser, provided Purchaser elects to purchase such endorsements), and the Permitted Exceptions; provided, however, there shall be no exception for parties-in-possession or tenants in possession;

(iv) a certificate stating that Seller is not a “foreign person” as defined in the federal Foreign Investment in Real Property Tax Act (the “Act”) in form and substance substantially identical to Exhibit “D” attached hereto and fully incorporated herein by reference for all purposes;

(v) an Affidavit (herein so called) as to debt and liens and parties in possession in form and substance substantially identical to Exhibit "E" attached hereto and fully incorporated herein by reference for all purposes or such other affidavits as Title Company may reasonably require for title insuring purposes;

(vi) to the extent applicable, all assignable contracts, licenses, reports, approvals, permits, and warranties which Purchaser has agreed to assume or is required to assume in accordance with Section 6(e) hereof;

(vii) reimburse Purchaser up to $2,500 for the cost of the actual cost Survey, exclusive of any replatting fees and cost; and

(vii) such other instruments and documents as are reasonably appropriate, necessary and required by the Title Company or the Purchaser to complete and evidence the transactions contemplated hereby or to evidence the authority of Seller to consummate the purchase and sale transaction contemplated hereby and to execute and deliver the closing documents.
(c) At Closing, Purchaser shall deliver to the Title Company for delivery to Seller:

(i) the Purchase Price; and

(ii) such other instruments and documents as are reasonably appropriate, necessary and required by Seller or the Title Company to complete and evidence the transaction contemplated hereby or to evidence the authority of Purchaser to consummate the purchase and sale transaction contemplated hereby and to execute and deliver the closing documents.

(d) Except as otherwise set forth herein, each party hereto shall pay its share of the closing costs which are normally assessed against a seller or purchaser in other transactions similar to the transaction contemplated hereby in the county in which the Property is located. In addition to the foregoing, Seller shall pay the costs of the issuance of the Owner Policy of Title Insurance, excluding the cost of any additional premium for the modification or deletion of the standard survey exception contained in the Title Commitment or any other endorsements in the event Purchaser elects to obtain same. Seller and Purchaser shall each pay one-half (1/2) of any escrow fee charged by the Title Company and each party shall pay its own attorneys' fees; provided, however, in the event of any litigation arising hereunder, the prevailing party shall be entitled to recover, as part of any judgment rendered, reasonable attorneys' fees and costs of suit.

(e) Real property, ad valorem and personal property (if any) taxes, assessments, sewer rents and charges, and other state, county and municipal taxes (special or otherwise) for the then current tax year for which the same are levied, imposed or assessed which are liens and which are due and payable in such year, whether actually then due and payable as of the Closing Date and utilities for the then current month (if any), shall be prorated at Closing effective as of the Closing Date; provided, however, if this Contract is extended as a result of Purchaser extending the Review Period, such taxes will be pro-rated as of the date that the initial Closing would have occurred, but for Purchaser extending the Review Period in accordance with Paragraph 6(a) above. If Closing shall occur before the taxes are known for the then current tax year, or before utility bills are received for the then current month, the apportionment of the taxes and utilities shall be upon the basis of the taxes and/or utilities for the preceding year and/or month, as applicable. Any difference in actual and estimated taxes and assessments shall be promptly adjusted in cash between the parties following receipt of information confirming the actual amounts thereof. Furthermore, if the Land is assessed and taxed as a part of a larger parcel of real estate, including any amount or tax for Rollback Taxes (as defined below), then (i) for purposes of computing tax prorations hereunder, a proportionate part of the real estate taxes attributable to such larger parcel shall be allocated to the Land on the basis of the ratio between the number of gross square feet comprising the Land and the total number of gross square feet comprising such larger parcel of real estate, taking into account the value and location of any improvements on parts of the larger parcel or the unique value of any of the larger portion (for example only, the increased value of a hard commercial corner), and (ii) SELLER SHALL INDEMNIFY, DEFEND AND HOLD HARMLESS PURCHASER AND/OR ITS ASSIGNS AND SUCCESSORS FROM AND AGAINST ANY AND ALL CLAIMS, LOSSES, COSTS,
EXPENSES AND OTHER LIABILITIES WITH RESPECT TO ALL AD VALOREM TAXES ON THE LARGER PARCEL IN EXCESS OF THE LAND. This indemnity shall survive the Closing. If, upon or after Closing, there are assessments of taxes for the current year or prior years due to change in land usage, ownership, or both ("Rollback Taxes"), Seller will be responsible for payment of such Rollback Taxes and any interest or penalty attributable thereto. This provision shall survive the Closing of this transaction and the payment of any consideration and the delivery of all closing instruments.

(f) All other operating expenses of the Property (if any), including, without limitation, maintenance and service charges for the then current period, shall be prorated at Closing effective as of the Closing Date, except to the extent of any contracts affecting the Property which Purchaser rejects in accordance with Section 6(e) hereof.


Seller represents, warrants and covenants to Purchaser as of the date of this Contract and (subject to the controlling terms and provisions of this Paragraph 9) as of the Closing Date that:

(a) Authority. Seller has full right, power and authority to enter into this Contract and consummate the sale provided for herein, all required corporate, partnership or other action necessary to authorize Seller to enter into and to consummate the purchase provided herein has been taken, and the joinder of no person or entity other than Seller will be necessary to execute and deliver such documents and instruments at Closing and to perform all of the obligations of Seller hereunder.

(b) Compliance with Laws. To Seller's actual knowledge, (i) Seller has not received written notice from any agency, department, commission, board, bureau or instrumentality of any governmental authority of the United States, the State of Texas, the County of Harris, City of Houston, or any other local authority (hereinafter collectively referred to as the "Governmental Authority") that the Property is in violation of any applicable laws, ordinances, or regulations, and (ii) no part of the Property is in violation of any governmental order, law, regulation, statute, ordinance, rule or restriction.

(c) Governmental Proceeding. Seller has not received any written notice, and has no actual knowledge, of any condemnation, pending or threatened, or similar proceeding affecting the Land or any portion thereof.

(d) Foreign Entity. Seller is not a "foreign person" within the meaning of Section 1445 of the Internal Revenue Code.

(e) No Violations and Actions. To Seller's current actual knowledge and belief, the execution, delivery and performance by Seller of its obligations under this Contract do not constitute a default under any of the provisions of any law, governmental rule, regulation, judgment, decree or order by which the Seller is bound, or by any of the provisions of any contract to which the Seller is a party or by which the Seller is bound or, if Seller is not an individual, by the Seller's declaration of trust.
(f) **No Liens or Litigation.** To Seller's current actual knowledge: (i) there are no claims to or liens on the Property, that will not be fully satisfied and released at or prior to the Closing; (ii) there is no action in the nature of litigation, claim, investigation or other proceeding pending or threatened against or affecting the Property, the use thereof, or the Seller which may become a lien against the Property; (iii) there is no local improvement district or other taxing authority in the process of formation that would create a lien on the Property; and (iv) there are no pending or proposed special assessments against the Property.

(g) **No Leases.** There are no leases that encumber the Property (recorded or unrecorded).

By executing and delivering the Deed at Closing, Seller shall be deemed to have made the foregoing warranties as of the Closing Date except to the extent (if any) any untruth or inaccuracy has been waived (or deemed waived) by Purchaser in accordance with the following terms and provisions. Seller shall execute a certificate dated as of the date of the Closing, whereby Seller shall reaffirm the foregoing representations and warranties. Except to the extent otherwise expressly provided elsewhere in this Contract, the representations, warranties, covenants and agreements set forth in this Contract shall remain operative and shall survive the Closing and the execution and delivery of the Deed for a period of two (2) years after the Closing and shall not be merged therein.

In the event that either Seller or Purchaser should discover prior to the Closing Date that any representation or warranty made by Seller is untrue or inaccurate, it shall promptly inform the other party in writing of its discovery and Purchaser shall have the right by written notice delivered to Seller and the Title Company on or before the Closing Date to terminate this Contract, whereupon any Earnest Money and Extension Fees previously deposited by Purchaser with Title Company shall be promptly returned by Title Company to Purchaser and the parties hereto shall have no further obligations hereunder (except to the extent otherwise expressly set forth herein). In the event that Purchaser fails to so terminate on or before the Closing Date as aforesaid, Purchaser shall automatically be deemed to have waived any objection to any such untrue or inaccurate warranty or representation and no rights or remedies shall ever be available to Purchaser with respect to such untrue or inaccurate warranty or representation except in the event Seller had actual knowledge of the untruth or inaccuracy of any warranty or representation at the time the same was made, in which event Purchaser may close the transaction and bring suit for breach of said warranty. Purchaser's obligation to consummate this transaction is expressly contingent upon the lack of any material variance with respect to the truth and accuracy of all warranties and representations as of the Closing Date which are made by Seller herein. IT IS UNDERSTOOD AND AGREED THAT, EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES SET FORTH IN **PARAGRAPH 9 OF THIS CONTRACT** AND EXCEPT FOR THE WARRANTIES OF TITLE SET FORTH IN THE DEED AND ANY OTHER REPRESENTATIONS AND WARRANTIES CONTAINED IN ANY OF THE OTHER CLOSING DOCUMENTS THAT SELLER IS NOT MAKING ANY WARRANTIES OR REPRESENTATIONS OF ANY KIND OR CHARACTER, EXPRESS, IMPLIED OR STATUTORY, WITH RESPECT TO THE PROPERTY, ITS PHYSICAL CONDITION OR ANY OTHER MATTER OR THING RELATING TO OR AFFECTING THE PROPERTY AND THAT THE PROPERTY IS BEING CONVEYED AND TRANSFERRED TO PURCHASER "AS IS, WHERE IS AND WITH ALL FAULTS". EXCEPT TO THE EXTENT OTHERWISE SET FORTH IN **PARAGRAPH 9 OF THIS CONTRACT** OR THE DEED OR IN ANY OTHER CLOSING DOCUMENTS, SELLER DOES NOT WARRANT OR MAKE ANY
REPRESENTATION, EXPRESS OR IMPLIED, AS TO FITNESS FOR A PARTICULAR PURPOSE, MERCHANTABILITY, DESIGN, QUANTITY, LAYOUT, FOOTAGE, PHYSICAL CONDITION, OPERATION, COMPLIANCE WITH SPECIFICATIONS, ABSENCE OF LATENT DEFECTS OR COMPLIANCE WITH LAWS AND REGULATIONS (INCLUDING, WITHOUT LIMITATION, THOSE RELATING TO ZONING, HEALTH, SAFETY AND THE ENVIRONMENT) OR ANY OTHER MATTER AFFECTING THE PROPERTY. THE TERMS AND CONDITIONS OF THIS PARAGRAPH 9 SHALL EXPRESSLY SURVIVE ANY TERMINATION OF THIS CONTRACT OR THE CLOSING OF THIS CONTRACT AND SHALL NOT MERGE THEREIN. AS USED HEREIN, SELLER'S “KNOWLEDGE” OR SIMILAR TERMS MEANS THE ACTUAL (NOT CONSTRUCTIVE) KNOWLEDGE OF SELLER, WITHOUT INDEPENDENT INQUIRY OR INVESTIGATION.

10. Right of Assignment.

Purchaser shall have the right to assign this Contract or any of its rights hereunder without the express prior written consent of Seller; provided, however, no assignment of this Contract shall release Purchaser from its obligations, duties and/or liabilities set forth in this Contract.

11. Termination.

If this Contract is properly terminated by Purchaser in accordance with any provisions hereof, all Earnest Money previously deposited by Purchaser with Title Company (less the option fee specified in Paragraph 13(f) hereof which will be delivered to Seller) after Purchaser's delivery to Seller of all Third Party Reports, shall thereafter be promptly refunded by Title Company to Purchaser, and the parties shall have no further obligations or liabilities one to the other, except only with respect to those provisions of this Contract which expressly survive such termination.

12. Defaults and Remedies.

(a) Seller's Defaults; Purchaser's Remedies.

(i) Seller's Defaults. Seller shall be in default hereunder in the event that Seller shall fail to meet, comply with, or perform any covenant, agreement or obligation on its part required within the time limits and in the manner required in this Contract for any reason other than a default by Purchaser hereunder or termination of this Contract by either Seller or Purchaser pursuant to the terms and provisions hereof.

(ii) Purchaser's Remedies. In the event Seller is in default hereunder and such default is not cured within thirty (30) days following the receipt of written notice of such default, which notice shall set forth in reasonable detail the default and the steps required to cure such default, Purchaser may, as Purchaser's sole and exclusive remedies for such default (Purchaser expressly waiving all other rights, remedies and damages including, but not limited to, actual, punitive, exemplary, multiple, consequential and/or speculative damages), at Purchaser's sole option, do any one of the following:
(A) Terminate this Contract by written notice delivered to Seller on or before the Closing (subject to the thirty-day cure period afforded to Seller and referenced above in this Section 12(a)(ii)), whereupon (i) all Earnest Money previously deposited by Purchaser with the Title Company shall promptly be returned to Purchaser, less the option fee specified in Paragraph 13(f) hereof; and (ii) the parties hereto shall have no further liabilities or obligations to the other hereunder; except for those provisions of this Contract which expressly survive such termination. or

(B) Enforce specific performance of this Contract against Seller.

If Purchaser shall be entitled to the Earnest Money in accordance with this Paragraph 12(a) or any other provision of this Contract, Seller agrees to deliver, on written request of Purchaser, such instructions as may be reasonably necessary to cause the Title Company to deliver the Earnest Money to Purchaser.

(b) Purchaser's Default; Seller's Remedies.

(i) Purchaser's Default. Purchaser shall be in default hereunder in the event that Purchaser shall fail to meet, comply with or perform any covenant, agreement or obligation on its part required within the time limits and in the manner required in this Contract for any reason other than a default by Seller hereunder.

(ii) Seller's Remedies. In the event Purchaser is in default hereunder, Seller may, as Seller's sole and exclusive remedy (except to the extent otherwise expressly provided hereinabove) for such default (Seller expressly waiving all other rights, remedies, and damages including, but not limited to, actual, punitive, exemplary, multiple, consequential and or speculative damages except as set forth in this Paragraph 12 below) terminate this Contract by written notice delivered to Purchaser whereupon Seller shall be entitled to the Earnest Money then deposited with Title Company, it being agreed between Purchaser and Seller that such aggregate sum shall be liquidated damages (and not a penalty) for such default of Purchaser hereunder because of the difficulty, inconvenience, and uncertainty of ascertaining actual damages for such default, and upon the delivery by the Title Company to Seller of the Earnest Money, the parties hereto shall have no further liabilities or obligations to the other hereunder, except for those provisions of this Contract which expressly survive such termination. Notwithstanding the foregoing, Purchaser shall not be entitled to any notice or opportunity to cure in the event Purchaser fails to deliver the Purchase Price to the Title Company at Closing in order for Seller to avail itself of the remedies set forth above.

If Seller shall be entitled to the Earnest Money in accordance with this Paragraph 12(b), Purchaser agrees to deliver, on written request of Seller, such instructions as may be reasonably necessary to cause the Title Company to deliver the Earnest Money to Seller. Notwithstanding anything to the contrary contained or implied elsewhere herein, in the event Purchaser seeks to enforce specific performance of Seller's obligations hereunder pursuant to Paragraph 12(a)(ii)(B) hereinabove or
otherwise clouds Seller's title to the Property or any portion thereof, and Purchaser is ultimately unsuccessful in obtaining such specific performance, Seller may (in addition to the foregoing remedies) also exercise against Purchaser, a suit for actual damages directly caused by such unsuccessful specific performance claim.


(a) Notices. Any notices, consents or other communications required or permitted to be given pursuant to this Contract must be in writing and must be given by personal hand delivery, facsimile transmission (with proof of receipt), Federal Express or other reputable overnight delivery service (with deliver charges prepaid) for overnight delivery, or certified mail, and shall (except to the extent otherwise expressly provided herein) be deemed to have been given and received when actually received or (whether actually received or not) two (2) business days after a certified letter containing such notice, consent or other communication, properly addressed with postage prepaid, return receipt requested, is deposited in an official depository under the regular care and custody of the United States Postal Service located within the confines of the continental United States of America, addressed to the parties hereto at the following respective addresses:

If intended for Seller: The Zaya and Sherry Younan Family Trust  c/o Younan Properties, Inc.  12377 Merit Drive, Suite 250  Dallas, TX 75251  Attention: John Cook  Telephone No.: 214-953-4483  Facsimile No.: 972-620-1449  Email: jcook@younanproperties.com

With a copy to: Glast, Phillips & Murray  A Professional Corporation  14801 Quorum Drive  Suite 500  Dallas, Texas 75254-1449  Attn.: Stephen R. Bishop  Telephone No.: (972) 419-7127  Facsimile No.: (972) 419-8329  Email: sbishopr@gpm-law.com

If to Purchaser: New Hope Housing, Inc.  1117 Texas Avenue  Houston, Texas 77002  Attn: Emily Abeln  T: (713) 220-9708  Email: emily@newhopehousing.com
or to such other substitute address and/or addressee as any party hereto shall designate by written notice to the other party in accordance with the terms of this Paragraph 13(a); provided, however, that no such notice of change of address and/or addressee shall be effective unless and until actually received by the party to whom such notice is sent.

(b) Entire Agreement; Modifications. This Contract embodies and constitutes the entire understanding between the parties with respect to the transactions contemplated herein, and all prior or contemporaneous agreements, understandings, representations and statements (oral or written) are superseded by this Contract. Neither this Contract nor any provision hereof may be waived, modified, amended, discharged or terminated except by an instrument in writing signed by the party against whom the enforcement of such waiver, modification, amendment, discharge or termination is sought, and then only to the extent set forth in such instrument.

(c) APPLICABLE LAW. THIS CONTRACT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS. THIS CONTRACT IS PERFORMABLE AND VENUE FOR ANY ACTION HEREUNDER SHALL BE IN HARRIS COUNTY, TEXAS.

(d) Captions. The captions in this Contract are inserted for convenience of reference only and in no way define, describe, or limit the scope or intent of this Contract or any of the provisions hereof.

(e) Binding Effect. This Contract shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors and permitted assigns.

(f) Irrevocable Option. To the extent that this Contract is ever construed as an option agreement, Seller and Purchaser hereby acknowledge that, notwithstanding any provision hereof to the contrary, independent consideration for such option in the sum of $100.00 shall be delivered to Seller out of the Earnest Money should this Contract terminate for any reason whatsoever excepting the Closing of this Contract, in which event said option consideration shall be applied to the Purchase Price; and based on such consideration and the mutual covenants of Seller and Purchaser contained herein, Seller hereby agrees that any such option granted Purchaser is irrevocable and Seller may not terminate said option without the prior written consent of Purchaser except as may be expressly provided for herein.

(g) Time is of the Essence. With respect to all provisions of this Contract, time is of the essence; provided, however, if the final date of any period set forth herein (including,
but not limited to, the Closing Date) falls on a Saturday, Sunday or legal holiday under the
laws of the State of Texas or the United States of America, the final date of such period shall
be extended to the next day that is not a Saturday, Sunday or legal holiday. The term "days"
as used herein shall mean calendar days. The term "business days," as used herein shall mean
each day except for any Saturday, Sunday or legal holiday under the laws of the State
of Texas or United States of America.

(h) Date of Contract. All references to the “date of this Contract” or similar
references as used herein shall be deemed to mean the later of the two dates on which this
Contract is signed by the Seller or Purchaser, as indicated by their signatures below, which
later date shall be the date of final execution and agreement by the parties hereto.

(i) Attorneys' Fees. If either party shall employ an attorney to enforce or define
the rights of such party hereunder, the prevailing party shall be entitled to recover reasonable
attorneys' fees and costs of suit. The terms and provisions of this Paragraph 13(i) shall
expressly survive the Closing or earlier termination of this Contract.

(j) Partial Invalidity. If any term, provision, condition or covenant of this
Contract or the application thereof to any party or circumstance shall, to any extent, be held
invalid or unenforceable, the remainder of this Contract, or the application of such term,
provision, condition or covenant to persons or circumstances other than those as to whom or
which it is held invalid or unenforceable, shall not be affected thereby, and each term and
provision of this Contract shall be valid and enforceable to the fullest extent permitted by
law, and said invalid or unenforceable term, provision, condition or covenant shall be
substituted by a term, provision, condition or covenant as near in substance as may be valid
and enforceable.

(k) Real Estate Commission. Seller agrees to pay three percent (3%) of the
Purchase Price to CBRE, Inc. ("Seller's Broker") and three percent (3%) of the Purchase
Price to NewQuest Properties ("Purchaser's Broker") and (collectively with the Seller's
Broker, the "Brokers") as real estate commissions. Seller's Broker's address is 200 Post
Oak Blvd., Suite 2300, Houston, TX 77056-6173, (Telephone No. 713-577-1888) and
Purchaser's Broker's address is 8827 W. Sam Houston Pkwy. N. #200, Houston, TX 77040.
(Telephone No. 281-477-4307). The real estate commission will be earned only if, as and
when the Closing actually occurs and is consummated and will be paid at Closing, but only
if Closing actually occurs and is consummated, it being expressly understood and agreed
that no commissions or fees shall be due, earned, owing or payable if the transaction
contemplated hereby fails to occur for any reason whatsoever including, but not limited to,
the default of Seller and/or Purchaser. Notwithstanding the foregoing, each party hereto
represents to the other that (except for the Brokers) it has not authorized any other broker or
finder to act on its behalf in connection with the sale and purchase transaction contemplated
hereby and that it has not dealt with any other broker or finder purporting to act for any
other party. Each party hereto agrees to promptly pay and discharge any and all liabilities,
costs, damages and expenses of any kind or character arising from any claims for brokerage
or finder's fees, commissions or other similar fees in connection with the transactions
covered by this Contract insofar as such claims shall be based upon arrangements or
agreements made by such party or on its behalf, which agreements shall (notwithstanding

CONTRACT OF SALE – Page 18
(1.978 Acre Tract, Houston, Texas)
#6789827 1/05/2018 GPM
anything to the contrary contained or implied elsewhere in this Contract) expressly survive any termination or Closing of this Contract.

(j) Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original, and all of which counterparts together shall constitute one and the same instrument.

(m) ADDITIONAL NOTICES:

(i) PURCHASER SHOULD HAVE AN ABSTRACT COVERING THE PROPERTY EXAMINED BY AN ATTORNEY OF PURCHASER'S SELECTION, OR PURCHASER SHOULD BE FURNISHED WITH OR OBTAIN A TITLE POLICY.

(ii) IF THE PROPERTY IS SITUATED IN A UTILITY OR OTHER STATUTORILY CREATED DISTRICT PROVIDING WATER, SEWER, DRAINAGE, OR FLOOD CONTROL FACILITIES AND SERVICES, CHAPTER 49, TEXAS WATER CODE, REQUIRES SELLER TO DELIVER AND PURCHASER TO SIGN THE STATUTORY NOTICE RELATING TO THE TAX RATE, BONDED INDEBTEDNESS, OR ST AND BY FEES OF THE DISTRICT BEFORE FINAL EXECUTION OF THIS CONTRACT.

(iii) IF THE PROPERTY IS NOT LOCATED WITHIN A MUNICIPALITY'S LIMITS OR A MUNICIPAL UTILITY DISTRICT (MUD) AND IS LOCATED IN A CERTIFICATED SERVICE AREA OF A UTILITY SERVICE PROVIDER (A UTILITY, A WATER SUPPLY OR SEWER SERVICE CORPORATION, OR A SPECIAL UTILITY DISTRICT ORGANIZED AND OPERATING UNDER CHAPTER 65, WATER CODE), §13.257, WATER CODE REQUIRES SELLER TO DELIVER A NOTICE REGARDING THE UTILITY SERVICE PROVIDER TO PURCHASER.

(iv) NOTICE REGARDING POSSIBLE ANNEXATION. IF THE PROPERTY IS LOCATED OUTSIDE THE LIMITS OF A MUNICIPALITY, THE PROPERTY MAY NOW OR LATER BE INCLUDED IN THE EXTRA-TERRITORIAL JURISDICTION (ETJ) OF A MUNICIPALITY AND MAY NOW OR LATER BE SUBJECT TO ANNEXATION BY THE MUNICIPALITY. EACH MUNICIPALITY MAINTAINS A MAP THAT DEPICTS ITS BOUNDARIES AND ETJ. TO DETERMINE IF THE PROPERTY IS LOCATED WITHIN A MUNICIPALITY'S ETJ, PURCHASER SHOULD CONTACT ALL MUNICIPALITIES LOCATED IN THE GENERAL PROXIMITY OF THE PROPERTY FOR FURTHER INFORMATION.

(n) Offer and Acceptance. If this Contract is executed first by Purchaser and then
delivered to Seller, it shall be construed as an offer to purchase the Property from Seller by Purchaser on the terms and conditions and for the Purchase Price stated herein. If executed first by Seller and then delivered to Purchaser, it shall constitute an offer to sell the Property to Purchaser by Seller on the terms and conditions and for the Purchase Price stated herein. In either event, the offer made herein, unless sooner terminated or withdrawn by notice in writing given by the party making such offer, shall automatically lapse and terminate at 5:00 p.m., Houston, Texas time, five (5) days after delivery to a party, unless, prior to such time, the party receiving the offer has returned to the party making the offer three (3) fully executed counterparts of this Contract. Any modification of the original offer made herein shall constitute a counter-offer by the party initiating such modifications.

(o) Reservations. Notwithstanding anything to the contrary contained or implied elsewhere herein, Seller hereby excepts from this conveyance and reserves and retains the following: all of the oil, gas and other minerals and any and all other mineral rights and interest in, on or under the Property that are not currently outstanding in other parties as the date hereof, and all geothermal energy and geothermal substances and rights including, but not limited to, all ores thereof and other products or materials produced therefrom or in association therewith; provided that Seller hereby expressly waives in favor of Purchaser and its successors and assigns any and all rights of Seller or its successors and assigns to utilize the surface estate of the Property for any and all uses whatsoever, including, but not limited to drilling, extraction, production or other exploration or mining for oil, gas or other minerals and/or geothermal energy and geothermal substances and rights or the storage or transportation thereof. Such waiver shall not, however, restrict or prohibit the pooling or unitization of the mineral estate reserved by Seller hereunder with land other than the Property or the exploration or production of the oil, gas and other minerals and/or geothermal energy and geothermal substances and rights and/or underground water by means of wells, shafts or other access ways that are drilled, constructed or developed, or mines that open on land other than the Property provided that (1) any such wells, shafts or other access ways that are drilled, constructed, or developed or mines that open on such other land are not less than five hundred feet (500') from the boundaries of the Property and (2) such operations in no manner interfere with Purchaser's intended use and enjoyment of the Property or the surface or subsurface support of any improvements constructed or to be constructed on the Property.

(p) Force Majeure. The term "Force Majeure" as used herein shall mean any delay caused by any condition or cause beyond the reasonable control of such party (excluding the inability or failure of such party to pay a monetary obligation), including, without limitation, any delay caused by strike and other industrial, civil or public disturbance, shortage of labor or materials, war, terrorism, inclement weather (including, but not limited to, storm, wind, rain, snow, sleet and/or ice), to the extent that it hinders or delays the performance of the obligations affected thereby, casualty, accidents, settlement with insurers, governmental intervention or regulation, or any other extraordinary event, which delay is beyond the reasonable control of such party after due diligence and reasonable efforts, including delay of utility providers in installing utilities and Governmental Authorities in approving plans, permits, accepting improvements and any other matters requiring approval of Governmental Authorities, except as a direct result of an action or inaction of such party.
14. **WAIVER OF CONSUMER RIGHTS.** PURCHASER HEREBY WAIVES ITS RIGHTS UNDER THE DECEPTIVE TRADE PRACTICES AND CONSUMER PROTECTION ACT, SECTION 17.41 ET SEQ., BUSINESS & COMMERCE CODE, A LAW THAT GIVES CONSUMERS SPECIAL RIGHTS AND PROTECTIONS. AFTER CONSULTATION WITH AN ATTORNEY OF PURCHASER'S OWN SELECTION, PURCHASER VOLUNTARILY CONSENTS TO THIS WAIVER.

NEW HOPE HOUSING, INC.

By: [Signature]

Name: Joy Horak-Brown
Title: President and CEO

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**List of Exhibits**

- **Exhibit "A"**
  - Legal Description
- **Exhibit "B"**
  - Surveyor's Certificate
- **Exhibit "C"**
  - Special Warranty Deed
- **Exhibit "D"**
  - Nonforeign Affidavit
- **Exhibit "E"**
  - Affidavit as to Debts and Liens and Parties in Possession

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[SIGNATURE PAGE IMMEDIATELY FOLLOWS THIS PAGE]
IN WITNESS WHEREOF, each of the parties hereto has signed and executed this Contract, or has caused the same to be signed and executed by its authorized representatives.

EXECUTED effective as of the ___ day of January, 2018.

SELLER:

THE ZAYA AND SHERRY YOUNAN FAMILY TRUST

By: ___________________________
   Zaya Younan, Trustee

By: ___________________________
   Sherry Younan, Trustee

EXECUTED effective as of the 5th day of January, 2018.

PURCHASER:

NEW HOPE HOUSING, INC.

By: ___________________________
   Joy Horak-Brown, President and CEO

The undersigned hereby acknowledges the receipt from Purchaser of the $10,000 Earnest Money amount and a fully executed copy of this Contract (including Section 14 of the Contract) this 5th day of January, 2018, and agrees to comply with all of the terms hereof, including, but not limited to, those regarding the Earnest Money amount.

TITLE COMPANY:

STEWART TITLE GUARANTY COMPANY

By: ___________________________
   Print Name: Beth Forrest
   Title: Senior Escrow Officer

CONTRACT OF SALE – Page 22
(1.978 Acre Tract, Houston, Texas)
#5783927 1/05/2018 GPM
EXHIBIT “A”

Property Depiction

BEING APPOXIMATELY 1.978 ACRES OF LAND OUT OF THAT CERTAIN TRACT OR PARCEL CONTAINING 3.1808 ACRES (138,558 SQUARE FEET) OF LAND SITUATED IN THE W.E. FORD SURVEY, ABSTRACT NUMBER 1026, HARRIS COUNTY, TEXAS; BEING ALL OF UNRESTRICTED RESERVE “A”, BLOCK 2, OF THE REPLAT OF REGENCY SQUARE OFFICE PARK, SECTION TWO, A SUBDIVISION OF RECORD IN VOLUME 212, PAGE 111, HARRIS COUNTY MAP RECORDS (H.C.M.R.) AND OUT OF AND A PART OF UNRESTRICTED RESERVE “D”, BLOCK 2, OF REGENCY SQUARE OFFICE PARK, SECTION ONE, A SUBDIVISION OF RECORD IN VOLUME 185, PAGE 62, H.C.M.R., AND BEING OUT OF AND A PART OF THAT CERTAIN TRACT CONVEYED TO ANREM CORPORATION BY DEED RECORDED IN VOLUME 8283, PAGE 81, HARRIS COUNTY DEED RECORDS (H.C.D.R.), HARRIS COUNTY, TEXAS; SAID 3.1808 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS (BEARINGS ARE ORIENTED TO THE BEARING BASE REFLECTED ON THE RECORD PLAT OF SAID REGENCY SQUARE OFFICE PARK, SECTION ONE);

BEGINNING AT A %-INCH GALVANIZED IRON PIPE FOUND MARKING THE WEST END OF A 10 FOOT CUT-BACK LINE FOR THE INTERSECTION OF THE SOUTHEAST RIGHT-OF-WAY (R.O.W.) LINE OF REGENCY SQUARE BOULEVARD (100 FEET WIDE), AS DELINEATED ON SAID REPLAT OF REGENCY SQUARE OFFICE PARK, SECTION TWO, WITH THE SOUTHWEST R.O.W. LINE OF SAVOY DRIVE (WIDTH VARIES) AS DELINEATED ON SAID PLAT OF REGENCY SQUARE OFFICE PARK, SECTION ONE, SAID PIPE MARKING THE MOST WESTERLY NORTH CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE, SOUTH 89 DEG. 44 MIN. 12 SEC. EAST, ALONG SAID CUT-BACK LINE, DISTANCE OF 14.14 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED “TERRA SURVEYING” SET MARKING THE EAST END SAID OF CUT-BACK LINE AND MARKING THE MOST EASTERLY NORTH CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE, IN A SOUTHEASTERLY DIRECTION ALONG THE SOUTHWESTERLY R.O.W. LINE OF SAID SAVOY DRIVE THE FOLLOWING COURSES:

SOUTH 44 DEG. 44 MIN. 12 SEC. EAST, A DISTANCE OF 4.58 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED "TERRA SURVEYING" SET MARKING A POINT OF CURVATURE OF A TANGENT CURVE TO THE RIGHT;

SOUTHEASTERLY, AN ARC DISTANCE OF 137.29 FEET, ALONG SAID CURVE TO THE RIGHT HAVING A RADIUS OF 258.47 FEET, A CENTRAL ANGLE OF 30 DEG. 25 MIN. 50 SEC. AND A CHORD WHICH BEARS SOUTH 29 DEG. 31 MIN. 13 SEC. EAST, 135.68 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED "TERRA SURVEYING" SET MARKING A POINT OF REVERSE CURVATURE;
SOUTHEASTERLY, AN ARC DISTANCE OF 45.49 FEET, ALONG A CURVE TO THE LEFT, HAVING A RADIUS OF 358.47 FEET, A CENTRAL ANGLE OF 7 DEG. 16 MIN. 14 SEC. AND A CHORD WHICH BEARS SOUTH 17 DEG. 56 MIN. 21 SEC. EAST, 45.46 FEET TO A CROSS IN CONCRETE FOUND MARKING THE NORTHERLY CORNER OF A CALLED 5.0358 ACRE TRACT AS RECORDED UNDER H.C.C.F. NUMBERS F613174 AND L058454 AND MARKING THE EAST CORNER OF THE HEREIN DESCRIBED TRACT;


THENCE, NORTHEASTERLY, ALONG SAID SOUTHEAST R.O.W. LINE OF REGENCY SQUARE BOULEVARD, AN ARC DISTANCE OF 453.05 FEET, ALONG A CURVE TO THE LEFT, HAVING A RADIUS OF 955.00 FEET, A CENTRAL ANGLE OF 27 DEG. 10 MIN. 52 SEC. AND A CHORD WHICH BEARS NORTH 58 DEG. 51 MIN. 14 SEC. EAST, 448.82 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED "TERRA SURVEYING" SET MARKING A POINT OF TANGENCY;

THENCE, NORTH 45 DEG. 15 MIN. 48 SEC. EAST, ALONG SAID SOUTHEAST R.O.W. LINE OF REGENCY SQUARE BOULEVARD, A DISTANCE OF 10.00 FEET TO THE POINT OF BEGINNING AND CONTAINING 3.1808 ACRES (138,558 SQUARE FEET) OF LAND, MORE OR LESS.

SAVE AND EXCEPT THAT PORTION OF THE FOREGOING 3.1808 ACRE TRACT BEING DESCRIBED BELOW, WHICH IS EXPRESSLY EXCLUDED FROM THE FOREGOING 3.1808 ACRE TRACT:

BEING A 1.20 ACRE TRACT OF LAND LOCATED IN THE W.E. FORD SURVEY, ABSTRACT NO. 1026, HARRIS COUNTY, TEXAS, AND BEING A PORTION OF THAT

EXHIBIT "A" – Page 2
(1.978 Acre Tract, Houston, Texas)  
#6789827 1/05/2018 GPM
CERTAIN 3.1808 ACRE TRACT OF LAND RECORDED IN DOCUMENT #20070616766, OFFICIAL PUBLIC RECORDS OF HARRIS COUNTY, TEXAS, ALSO BEING A PORTION OF UNRESTRICTED RESERVE "A", BLOCK 2, OF THE REPLAT OF REGENCY SQUARE OFFICE PARK, SECTION TWO, RECORDED IN VOLUME 212, PAGE 111, HARRIS COUNTY MAP RECORDS, SAID 1.20 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:


A. S 43°24'04" E, A DISTANCE OF 4.66' (S 44°44'12" E, A DISTANCE OF 4.58', RECORD) TO A 5/8" IRON ROD FOUND WITH A "TERRA SURVEYING" PLASTIC CAP FOR THE BEGINNING OF A CURVE TO THE RIGHT;

B. WITH SAID CURVE TO THE RIGHT HAVING A RADIUS OF 258.47' (258.47', RECORD), A CENTRAL ANGLE OF 30°18'48" (30°25'50", RECORD), AN ARC LENGTH OF 136.75' (137.29', RECORD) AND HAVING A CHORD BEARING AND DISTANCE OF S 31°49'05" E, A DISTANCE OF 135.16' (S 29°31'13" E, A DISTANCE OF 135.68', RECORD) TO A "X" SET IN THE CONCRETE FOR CORNER AT A NORTH CORNER OF A CALLED 5.0358 ACRE TRACT OF LAND RECORDED UNDER COUNTY CLERK FILE NO. F613174, HARRIS COUNTY, TEXAS AND THE EAST CORNER OF THE CALLED 3.1808 ACRE TRACT;

C. WITH SAID CURVE TO THE LEFT HAVING A RADIUS OF 358.47' (358.47', RECORD), A CENTRAL ANGLE OF 7°16'03" (7°16'14", RECORD), AN ARC LENGTH OF 45.47' (45.49', RECORD) AND HAVING A CHORD BEARING AND DISTANCE OF S 20° 20' 17" E, A DISTANCE OF 45.44' (S 17°56'21" E, A DISTANCE OF 45.46', RECORD) TO A "X" SET IN THE CONCRETE FOR CORNER AT A NORTH CORNER OF A CALLED 5.0358 ACRE TRACT OF LAND RECORDED UNDER COUNTY CLERK FILE NO. F613174, HARRIS COUNTY, TEXAS AND THE EAST CORNER OF THE CALLED 3.1808 ACRE TRACT;

THE EAST BOUNDARY LINE OF THE HEREIN DESCRIBED TRACT, A DISTANCE OF 226.48' (S 45°15'48" W, RECORD) TO A "X" SET FOR CORNER;


A. WITH SAID CURVE TO THE LEFT HAVING A RADIUS OF 955.00' (955.00', RECORD), A CENTRAL ANGLE OF 15°58'06", AN ARC LENGTH OF 266.16 AND HAVING A CHORD BEARING AND DISTANCE OF N 50° 52' 02" E, A DISTANCE OF 265.30' TO A ½" IRON ROD SET WITH A RED "MATKIN HOOVER ENG. & SURVEY" PLASTIC CAP FOR ANGLE;

B. N 42° 53' 07" E, A DISTANCE OF 9.91' (N 45°15'48" E, A DISTANCE OF 10.00', RECORD) TO THE POINT OF BEGINNING AND CONTAINING 1.20 ACRES OF LAND, MORE OR LESS.

SAID 1.20 ACRES OF LAND BEING EXPRESSLY EXCLUDED.
EXHIBIT "B"
SURVEYORS CERTIFICATE

TO: The Zaya and Sherry Younan Family Trust, New Hope Housing, Inc. and Stewart Title Guaranty Company, and to their successors and/or assigns.

This is to certify that this map or plat and the Survey on which it is based were made in accordance with the 2016 Minimum Standard Detail Requirements for ALTA/ACSM Land Title Surveys, jointly established and adopted by ALTA and NSPS, and includes Items ________ of Table A thereof. The field work was completed on ____________________.

Date of Plat or Map: ____________________

EXECUTED this _____ day of ______________, 2018.

________________________________________
Name - Typed or Printed
Registered Public Surveyor No. ____________
Address: __________________________________
______________________________
______________________________

EXHIBIT "B" – Page 1
(1.578 Acre Tract, Houston, Texas)
###6789827 1/05/2018 GPM
EXHIBIT "C"

SPECIAL WARRANTY DEED

THE STATE OF TEXAS §
COUNTY OF HARRIS §

KNOW ALL PERSONS BY THESE PRESENTS:

That ZAYA YOUNAN and SHERRY YOUNAN, TRUSTEES of the ZAYA and SHERRY YOUNAN FAMILY TRUST dated May 27, 2010 ("Grantor"), for and in consideration of the sum of TEN AND NO/100 DOLLARS ($10.00) and other valuable consideration to the undersigned paid by the Grantee herein named, the receipt and sufficiency of which are hereby acknowledged, has GRANTED, SOLD and CONVEYED, and by these presents does GRANT, SELL and CONVEY, unto ____________________ ("Grantee"), all of the real property described on Exhibit “A” attached hereto and incorporated herein (the “Land”) together with all of Grantor’s rights, privileges, title and interest in and to the rights and appurtenances pertaining solely to such Land, including any right, title and interest of Grantor in and to the centerline of adjacent roads, streets, alleys, easements, and rights-of-way (collectively the “Appurtenances”). The Land and the Appurtenances are collectively referred to herein as the “Property”.

TO HAVE AND TO HOLD the Property, together with all and singular the rights and appurtenances thereto in anywise belonging, unto Grantee, its successors and assigns forever; and Grantor does hereby bind itself, its successors and assigns to WARRANT AND FOREVER DEFEND all and singular the Property unto Grantee, its successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof by, through or under Grantor, but not otherwise, subject to the Permitted Exceptions (hereinafter defined).

This conveyance is made by Grantor and accepted by Grantee subject to those matters set forth on Exhibit “B” attached hereto and incorporated herein for all purposes, the reservations hereinafter set forth and the following provision (hereinafter collectively referred to as the “Permitted Exceptions”):

Notwithstanding anything to the contrary contained or implied elsewhere herein, Grantor hereby excepts from this conveyance and reserves and retains unto itself and its successors and assigns (a) all of the oil, gas and other minerals and any and all other mineral rights and interests in, on or under the Property that are not currently outstanding in other parties as of the date hereof, and (b) all geothermal energy and geothermal substances and rights including, but not limited to, all ores thereof and other products or materials produced therefrom or in association therewith, provided that Grantor hereby expressly waives in favor of Grantee and its successors and assigns any and all rights of Grantor, its successors and assigns to utilize the surface estate of the Property for any and all uses whatsoever, including, but not limited to, drilling, extraction, production or other exploration or mining for oil, gas or other minerals and/or geothermal energy and geothermal substances and rights and/or underground water or the storage or transportation thereof. Such waiver shall not, however, restrict or prohibit the pooling or unitization of the mineral estate reserved by Grantor hereunder with land other than the Property or the exploration or production of the oil, gas and other minerals and/or geothermal energy and geothermal substances and rights by means of wells, shafts or other

EXHIBIT "C" — Page 1
(1.978 Acre Tract, Houston, Texas)
#67611182 12/22/2017 GPM
access ways that are drilled, constructed or developed, or mines that open on land other than the Property provided that (1) any such wells, shafts or other access ways that are drilled, constructed or developed or mines that open on such other land are not less than five hundred feet (500') from the boundaries of the Property and (2) such operations in no manner interfere with Grantee's intended use and enjoyment of the Property or the surface or subsurface support of any improvements constructed or to be constructed on the Property (the "Reservations").

Current ad valorem taxes on the Property having been prorated, the payment thereof is assumed by Grantee.

EXECUTED this the ____ day of __________________, 201__.

ZAYA YOUNAN and SHERRY YOUNAN, TRUSTEES of the ZAYA and SHERRY YOUNAN FAMILY TRUST dated May 27, 2010

By: _____________________________________________

Zaya Younan, Trustee

By: _____________________________________________

Sherry Younan, Trustee
THE STATE OF _______ §

COUNTY OF _______ §

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED BEFORE ME on this _____ day of _________________, 201_, by Zaya Younan, a Trustee of the Zaya and Sherry Younan Family Trust dated May 27, 2010, to certify which witness my hand and seal of office.

NOTARY PUBLIC IN AND FOR
THE STATE OF _____________

THE STATE OF _______ §

COUNTY OF _______ §

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED BEFORE ME on this _____ day of _________________, 201_, by Sherry Younan, a Trustee of the Zaya and Sherry Younan Family Trust dated May 27, 2010, to certify which witness my hand and seal of office.

NOTARY PUBLIC IN AND FOR
THE STATE OF _____________
EXHIBIT "A"
TO SPECIAL WARRANTY DEED

[Insert Legal Description for the Land]
EXHIBIT "B"
TO SPECIAL WARRANTY DEED

PERMITTED EXCEPTIONS

[To be inserted]
EXHIBIT “D”
NONFOREIGN AFFIDAVIT

THE STATE OF TEXAS

COUNTY OF HARRIS

KNOW ALL MEN BY THESE PRESENTS:

BEFORE ME, the undersigned authority, on this day personally appeared ZAYA YOUNAN and SHERRY YOUNAN, TRUSTEES of the ZAYA and SHERRY YOUNAN FAMILY TRUST dated May 27, 2010 (collectively, the “Transferor”), who after being duly sworn, upon his oath did depose and state under penalty of perjury, for purposes of Section 1445 of the Internal Revenue Code of 1986, as amended, in connection with the sale, transfer and conveyance of the property described in Exhibit “A” attached hereto and incorporated herein by reference (“Property”), (i) that Transferor is not a foreign corporation, foreign partnership, foreign trust or foreign estate (as those terms are defined in the Internal Revenue Code of 1986, as amended, and Income Tax Regulations); (ii) that Transferor's United States employer identification number is ; (iii) that Transferor's address is and (iv) that Transferor is aware that (the "Transferee") is relying upon this instrument in not withholding ten percent (10%) of the amount realized on the disposition of the Property by Transferor to Transferee as required of Transferee by Section 1445 of the Internal Revenue Code of 1986, as amended. Transferor understands that this affidavit may be disclosed to the Internal Revenue Service by Transferee and that any false statement contained herein could be punished by fine, imprisonment, or both.

ZAYA YOUNAN and SHERRY YOUNAN, TRUSTEES of the ZAYA and SHERRY YOUNAN FAMILY TRUST dated May 27, 2010

By: __________________________________________
    Zaya Younan, Trustee

By: __________________________________________
    Sherry Younan, Trustee
THE STATE OF __________
COUNTY OF __________

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED BEFORE ME on this ___ day of ______________, 201__, by Zaya Younan, a Trustee of the Zaya and Sherry Younan Family Trust dated May 27, 2010, to certify which witness my hand and seal of office.

NOTARY PUBLIC IN AND FOR
THE STATE OF __________

THE STATE OF __________
COUNTY OF __________

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED BEFORE ME on this ___ day of ______________, 201__, by Sherry Younan, a Trustee of the Zaya and Sherry Younan Family Trust dated May 27, 2010, to certify which witness my hand and seal of office.

NOTARY PUBLIC IN AND FOR
THE STATE OF __________

EXHIBIT "D" – Page 2
NONFOREIGN AFFIDAVIT
(1.978 Acre Tract, Houston, Texas)
#6789827 1/05/2018 GPM
EXHIBIT “A”
TO NON-FOREIGN AFFIDAVIT

PROPERTY DESCRIPTION

[Insert Description of Land]
EXHIBIT "E"

AFFIDAVIT

THE STATE OF TEXAS §
COUNTY OF HARRIS §
KNOW ALL MEN BY THESE PRESENTS:

BEFORE ME, the undersigned authority, on this day personally appeared ZAYA YOUNAN and SHERRY YOUNAN, TRUSTEES of the ZAYA and SHERRY YOUNAN FAMILY TRUST dated May 27, 2010 (collectively, the "Seller"), personally known to me to be the persons whose names are subscribed hereto and upon their oath did depose and say, to the best of their current, actual knowledge, without duty of inquiry, as follows:

1. That there are no unpaid debts for work that has been done or materials furnished in connection with the real property described in Exhibit "A" attached hereto and made a part hereof for all purposes (the "Property"). There are no mechanic's or materialmen's liens, whether recorded or unrecorded, upon or against the Property.

2. That there are no liens, suits, proceedings, judgments or decrees of any nature whatsoever, including but not limited to demolition or condemnation decrees or orders, which adversely affect the Property or the right, title or interest of Seller therein which are not shown in the Commitment for Title Insurance issued by Stewart Title Guaranty Company (the "Title Company"), issued 1/05/2018 and dated effective as of 2018, under OF Number 6789827 covering the Property.

3. That there are no paving liens of any character or claims for paving outstanding against the Property. Seller has signed no petitions for the paving of a street or alley adjoining the Property and Seller knows of no petition being circulated for the pavement of the streets, alleys or sidewalks adjacent to the Property.

4. This Affidavit is made to [Insert name of Grantee on Warranty Deed] (the "Purchaser"), as an inducement to complete the purchase of the Property from the Seller, and to the Title Company, as an inducement to it to issue to Purchaser its Owner Policy of Title Insurance, and the Seller realizes that the Purchaser and Title Company are relying upon the representations contained herein.
All statements and representations contained herein are made by the undersigned affiant in their representative capacity only, for and on behalf of Seller, and not individually, and any and all liability hereunder shall be solely that of Seller, and not the undersigned affiant.

EXECUTED effective as of the _____ day of __________________, 2018.

ZAYA YOUNAN and SHERRY YOUNAN, TRUSTEES of the ZAYA and SHERRY YOUNAN FAMILY TRUST dated May 27, 2010

By: _____________________________________________
    Zaya Younan, Trustee

By: _____________________________________________
    Sherry Younan, Trustee
THE STATE OF __________

COUNTY OF __________

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED BEFORE ME on this _____ day of ________________, 201_, by Zaya Younan, a Trustee of the Zaya and Sherry Younan Family Trust dated May 27, 2010, to certify which witness my hand and seal of office.

________________________
NOTARY PUBLIC IN AND FOR
THE STATE OF __________

THE STATE OF __________

COUNTY OF __________

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED BEFORE ME on this _____ day of ________________, 201_, by Sherry Younan, a Trustee of the Zaya and Sherry Younan Family Trust dated May 27, 2010, to certify which witness my hand and seal of office.

________________________
NOTARY PUBLIC IN AND FOR
THE STATE OF __________
BEING APPROXIMATELY 1.978 ACRES OF LAND OUT OF THAT CERTAIN TRACT OR PARCEL CONTAINING 3.1808 ACRES (138,558 SQUARE FEET) OF LAND SITUATED IN THE W.E. FORD SURVEY, ABSTRACT NUMBER 1026, HARRIS COUNTY, TEXAS; BEING ALL OF UNRESTRICTED RESERVE "A", BLOCK 2, OF THE REPLAT OF REGENCY SQUARE OFFICE PARK, SECTION TWO, A SUBDIVISION OF RECORD IN VOLUME 212, PAGE 111, HARRIS COUNTY MAP RECORDS (H.C.M.R.) AND OUT OF AND A PART OF UNRESTRICTED RESERVE "D", BLOCK 2, OF REGENCY SQUARE OFFICE PARK, SECTION ONE, A SUBDIVISION OF RECORD IN VOLUME 185, PAGE 62, H.C.M.R., AND BEING OUT OF AND A PART OF THAT CERTAIN TRACT CONVEYED TO ANREM CORPORATION BY DEED RECORDED IN VOLUME 8283, PAGE 81, HARRIS COUNTY DEED RECORDS (H.C.D.R.), HARRIS COUNTY, TEXAS; SAID 3.1808 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS (BEARINGS ARE ORIENTED TO THE BEARING BASE REFLECTED ON THE RECORD PLAT OF SAID REGENCY SQUARE OFFICE PARK, SECTION ONE);

BEGINNING AT A %-INCH GALVANIZED IRON PIPE FOUND MARKING THE WEST END OF A 10 FOOT CUT-BACK LINE FOR THE INTERSECTION OF THE SOUTHEAST RIGHT-OF-WAY (R.O.W.) LINE OF REGENCY SQUARE BOULEVARD (100 FEET WIDE), AS DELINEATED ON SAID REPLAT OF REGENCY SQUARE OFFICE PARK, SECTION TWO, WITH THE SOUTHWEST R.O.W. LINE OF SAVOY DRIVE (WIDTH VARIES) AS DELINEATED ON SAID PLAT OF REGENCY SQUARE OFFICE PARK, SECTION ONE, SAID PIPE MARKING THE MOST WESTERLY NORTH CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE, SOUTH 89 DEG. 44 MIN. 12 SEC. EAST, ALONG SAID CUT-BACK LINE, DISTANCE OF 14.14 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED "TERRA SURVEYING" SET MARKING THE EAST END SAID OF CUT-BACK LINE AND MARKING THE MOST EASTERLY NORTH CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE, IN A SOUTHEASTERLY DIRECTION ALONG THE SOUTHWESTERLY R.O.W. LINE OF SAID SAVOY DRIVE THE FOLLOWING COURSES:

SOUTH 44 DEG. 44 MIN. 12 SEC. EAST, A DISTANCE OF 4.58 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED "TERRA SURVEYING" SET MARKING A POINT OF CURVATURE OF A TANGENT CURVE TO THE RIGHT;

SOUTHEASTERLY, AN ARC DISTANCE OF 137.29 FEET, ALONG SAID CURVE TO THE RIGHT HAVING A RADIUS OF 258.47 FEET, A CENTRAL ANGLE OF 30 DEG. 25 MIN. 50 SEC. AND A CHORD WHICH BEARS SOUTH 29 DEG. 31 MIN. 13 SEC. EAST, 135.68 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED "TERRA SURVEYING"
SET MARKING A POINT OF REVERSE CURVATURE;

SOUTHEASTERLY, AN ARC DISTANCE OF 45.49 FEET, ALONG A CURVE TO THE LEFT, HAVING A RADIUS OF 358.47 FEET, A CENTRAL ANGLE OF 7 DEG. 16 MIN. 14 SEC. AND A CHORD WHICH BEARS SOUTH 17 DEG. 56 MIN. 21 SEC. EAST, 45.46 FEET TO A CROSS IN CONCRETE FOUND MARKING THE NORTHERLY CORNER OF A CALLED 5.0358 ACRE TRACT AS RECORDED UNDER H.C.C.F. NUMBERS F613174 AND L058454 AND MARKING THE EAST CORNER OF THE HEREIN DESCRIBED TRACT;


THENCE, NORTHEASTERLY, ALONG SAID SOUTHEAST R.O.W, LINE OF REGENCY SQUARE BOULEVARD, AN ARC DISTANCE OF 453.05 FEET, ALONG A CURVE TO THE LEFT, HAVING A RADIUS OF 955.00 FEET, A CENTRAL ANGLE OF 27 DEG. 10 MIN. 52 SEC. AND A CHORD WHICH BEARS NORTH 58 DEG. 51 MIN. 14 SEC. EAST, 448.82 FEET TO A 5/8-INCH IRON ROD WITH CAP STAMPED "TERRA SURVEYING" SET MARKING A POINT OF TANGENCY;

THENCE, NORTH 45 DEG. 15 MIN. 48 SEC. EAST, ALONG SAID SOUTHEAST R.O.W. LINE OF REGENCY SQUARE BOULEVARD, A DISTANCE OF 10.00 FEET TO THE POINT OF BEGINNING AND CONTAINING 3.1808 ACRES (138,558 SQUARE FEET) OF LAND, MORE OR LESS.

SAVE AND EXCEPT THAT PORTION OF THE FOREGOING 3.1808 ACRE TRACT BEING DESCRIBED BELOW, WHICH IS EXPRESSLY EXCLUDED FROM THE FOREGOING 3.1808 ACRE TRACT:

EXHIBIT "A" – Page 2
(1.978 Acre Tract, Houston, Texas)
#6789827 1/05/2018 GFM
BEING A 1.20 ACRE TRACT OF LAND LOCATED IN THE W.E. FORD SURVEY, ABSTRACT NO. 1026, HARRIS COUNTY, TEXAS, AND BEING A PORTION OF THAT CERTAIN 3.1808 ACRE TRACT OF LAND RECORDED IN DOCUMENT #20070616766, OFFICIAL PUBLIC RECORDS OF HARRIS COUNTY, TEXAS, ALSO BEING A PORTION OF UNRESTRICTED RESERVE "A", BLOCK 2, OF THE REPLAT OF REGENCY SQUARE OFFICE PARK, SECTION TWO, RECORDED IN VOLUME 212, PAGE 111, HARRIS COUNTY MAP RECORDS, SAID 1.20 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:


A. S 43°24'04" E, A DISTANCE OF 4.66' (S 44°44'12" E, A DISTANCE OF 4.58', RECORD) TO A 5/8" IRON ROD FOUND WITH A "TERRA SURVEYING" PLASTIC CAP FOR THE BEGINNING OF A CURVE TO THE RIGHT;

B. WITH SAID CURVE TO THE RIGHT HAVING A RADIUS OF 258.47' (258.47', RECORD), A CENTRAL ANGLE OF 30°18'48" (30°25'50", RECORD), AN ARC LENGTH OF 136.75' (137.29', RECORD) AND HAVING A CHORD BEARING AND DISTANCE OF S 31° 49' 05" E, A DISTANCE OF 135.16' (S 29°31'13" E, A DISTANCE OF 135.68', RECORD) TO A %" IRON PIPE FOR THE BEGINNING OF A CURVE TO THE LEFT;

C. WITH SAID CURVE TO THE LEFT HAVING A RADIUS OF 358.47' (358.47', RECORD), A CENTRAL ANGLE OF 7°16'03" (7°16'14", RECORD), AN ARC LENGTH OF 45.47' (45.49', RECORD) AND HAVING A CHORD BEARING AND DISTANCE OF S 20° 20' 17" E, A DISTANCE OF 45.44' (S 17°56'21" E, A DISTANCE OF 45.46', RECORD) TO A "X" SET IN THE CONCRETE FOR CORNER AT A NORTH CORNER OF A CALLED 5.0358 ACRE TRACT OF LAND RECORDED UNDER COUNTY CLERK FILE NO. F613174, HARRIS COUNTY, TEXAS AND THE EAST CORNER OF THE CALLED 3.1808 ACRE TRACT;

EXHIBIT "A" – Page 3
(1.978 Acre Tract, Houston, Texas)
#6789827 1/05/2018 GPM


A. WITH SAID CURVE TO THE LEFT HAVING A RADIUS OF 955.00' (955.00', RECORD), A CENTRAL ANGLE OF 15°58'06", AN ARC LENGTH OF 266.16 AND HAVING A CHORD BEARING AND DISTANCE OF N 50° 52' 02" E, A DISTANCE OF 265.30' TO A ½" IRON ROD SET WITH A RED "MATKIN HOOVER ENG. & SURVEY" PLASTIC CAP FOR ANGLE;

B. N 42° 53' 07" E, A DISTANCE OF 9.91' (N45°15'48" E, A DISTANCE OF 10.00', RECORD) TO THE POINT OF BEGINNING AND CONTAINING 1.20 ACRES OF LAND, MORE OR LESS.

SAID 1.20 ACRES OF LAND BEING EXPRESSLY EXCLUDED.
ESCROW RECEIPT

File No.: 18000330035

Property Address: 0 Unknown, Houston, TX 77365

Escrow Agent acknowledges receipt of $10,000.00 deposit from buyer in the form of a CHECK representing earnest money being deposited pursuant to the contract. Escrow Agent (i) is not a party to the contract, (ii) may deposit funds it receives in any financial institution, (iii) has no liability on a check until the check has cleared, (iv) shall not be liable for any interest or other charge on the earnest money and shall be under no duty to invest or re-invest funds held by it unless separate specific written instructions to that effect are given to escrow agent by the parties to the contract, which instructions must include the name, address and taxpayer identification number for the beneficiary, (v) does not represent the allowable use or activity on the property, (vi) does not promise to deliver the commitment within the time stated in the contract, (vii) requires that buyer make written request of Escrow Agent for copies of covenants, documents and any applicable survey, (viii) is not obligated to give notices as provided in the contract and (ix) is not obligated to disburse the earnest money unless in its sole discretion it receives satisfactory documentation.

Buyer and Seller may request that escrow funds be invested in an interest-bearing account subject to a reasonable administrative fee charged by Escrow Agent and any account terms and conditions negotiated with the financial institution offering the interest-bearing account. Otherwise, Escrow Agent shall deposit the earnest money in a demand deposit account that is federally insured to the maximum extent permitted by law. Demand deposit accounts offer immediately available funds for withdrawal after a check has cleared.

Escrow Agent may receive other benefits from the financial institution where the funds are deposited. Based upon the deposit of escrow funds in demand deposit accounts and other relationships with the financial institution, Escrow Agent is eligible to participate in a program whereby it may (i) receive favorable loan terms and earn income from the investment of loan proceeds and (ii) receive other benefits offered by the financial institution.

Escrow Agent:

Stewart Title Guaranty Company

Carol S. Hance
1980 Post Oak Blvd., Suite 610
Houston, TX 77056
Carol.Hance@stewart.com

DATE: January 8, 2018
THE FOLLOWING COMMITMENT FOR TITLE INSURANCE IS NOT VALID UNLESS YOUR NAME AND THE POLICY AMOUNT ARE SHOWN IN SCHEDULE A, AND OUR AUTHORIZED REPRESENTATIVE HAS COUNTERSIGNED BELOW.

stewart title

COMMITMENT FOR TITLE INSURANCE

ISSUED BY
STEWARD TITLE GUARANTY COMPANY

We, STEWART TITLE GUARANTY COMPANY, will issue our title insurance policy or policies (the Policy) to You (the proposed insured) upon payment of the premium and other charges due, and compliance with the requirements in Schedule C. Our Policy will be in the form approved by the Texas Department of Insurance at the date of issuance, and will insure your interest in the land described in Schedule A. The estimated premium for our Policy and applicable endorsements is shown on Schedule D. There may be additional charges such as recording fees, and expedited delivery expenses.

This Commitment ends ninety (90) days from the effective date, unless the Policy is issued sooner, or failure to issue the Policy is our fault. Our liability and obligations to you are under the express terms of this Commitment and end when this Commitment expires.

In witness whereof, the Company has caused this commitment to be signed and sealed as of the effective date of commitment as shown in Schedule A, the commitment to become valid and binding only when countersigned by an authorized signatory.

Countersigned by:

Matt Morris
President and CEO

Denise Carraux
Secretary

STEWART TITLE GUARANTY COMPANY
– DIRECT OPERATIONS
1980 Post Oak Blvd.
Houston, Texas 77056
Agent ID: 43A078

For coverage information or assistance resolving a complaint, call (800) 729-1902 or visit www.stewart.com. To make a claim, furnish written notice in accordance with Section 3 of the Conditions. For purposes of this form the “Stewart Title” logo featured above is the represented logo for the underwriter, Stewart Title Guaranty Company.
CONDITIONS AND STIPULATIONS

1. If you have actual knowledge of any matter which may affect the title or mortgage covered by this Commitment, that is not shown in Schedule B, you must notify us in writing. If you do not notify us in writing, our liability to you is ended or reduced to the extent that your failure to notify us affects our liability. If you do notify us, or we learn of such matter, we may amend Schedule B, but we will not be relieved of liability already incurred.

2. Our liability is only to you, and others who are included in the definition of Insured in the Policy to be issued. Our liability is only for actual loss incurred in your reliance on this Commitment to comply with its requirements or to acquire the interest in the land. Our liability is limited to the amount shown in Schedule A of this Commitment and will be subject to the following terms of the Policy: Insuring Provisions, Conditions and Stipulations, and Exclusions.

All notices required to be given the Company and any statement in writing required to be furnished the Company shall be addressed to it at P.O. Box 2029, Houston, Texas 77252.
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<th>IMPORTANT INFORMATION</th>
<th>AVISO IMPORTANTE</th>
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<td>FOR INFORMATION, OR</td>
<td>PARA INFORMACION, O</td>
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<td>TO MAKE A COMPLAINT</td>
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<td>CALL OUR TOLL-FREE TE-</td>
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<td>YOU MAY CONTACT</td>
<td>PUEDE COMUNICARSE CON</td>
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<td>THE TEXAS DEPARTMENT</td>
<td>EL DEPARTAMENTO DE SEGUROS</td>
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<td>OF INSURANCE AT</td>
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<td>1-800-252-3439</td>
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<th>to obtain information on:</th>
<th>para obtener información sobre:</th>
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<td>1. filing a complaint against an insurance company or agent,</td>
<td>1. como someter una queja en contra de una compañía de seguros o agente de seguros,</td>
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<tr>
<td>2. whether an insurance company or agent is licensed,</td>
<td>2. si una compañía de seguros o agente de seguros tiene licencia,</td>
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<td>3. complaints received against an insurance company or agent,</td>
<td>3. quejas recibidas en contra de una compañía de seguros o agente de seguros,</td>
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<td>4. policyholder rights, and</td>
<td>4. los derechos del asegurado, y</td>
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<tr>
<td>5. a list of consumer publications and services available through the Department.</td>
<td>5. una lista de publicaciones y servicios para consumidores disponibles a través del Departamento.</td>
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</table>

YOU MAY ALSO WRITE TO THE TEXAS DEPARTMENT OF INSURANCE

P.O. BOX 149104
AUSTIN, TEXAS 78714-9104
FAX NO. (512) 490-1007

TAMBIEN PUEDE ESCRIBIR AL DEPARTAMENTO DE SEGUROS DE TEXAS

P.O. BOX 149104
AUSTIN, TEXAS 78714-9104
FAX NO. (512) 490-1007
Before the Policy is issued, you may request changes in the Policy. Some of the changes to consider are:

- Request amendment of the "area and boundary" exception (Schedule B, paragraph 2). To get this amendment, you must furnish a survey and comply with other requirements of the Company. On the Owner's Policy, you must pay an additional premium for the amendment. If the survey is acceptable to the Company and if the Company's other requirements are met, your Policy will insure you against loss because of discrepancies or conflicts in boundary lines, encroachments or protrusions, or overlapping of improvements. The Company may then decide not to insure against specific boundary or survey problems by making special exceptions in the Policy. Whether or not you request amendment of the "area and boundary" exception, you should determine whether you want to purchase and review a survey if a survey is not being provided to you.

- Allow the Company to add an exception to "rights of parties in possession". If you refuse this exception, the Company or the title insurance agent may inspect the property. The Company may except to and not insure you against the rights of specific persons, such as renters, adverse owners or easement holders who occupy the land. The Company may charge you for the inspection. If you want to make your own inspection, you must sign a Waiver of Inspection form and allow the Company to add this exception to your Policy.

The entire premium for a Policy must be paid when the Policy is issued. You will not owe any additional premiums unless you want to increase your coverage at a later date and the Company agrees to add an Increased Value Endorsement.
1. The policy or policies to be issued are:
   (a) OWNER'S POLICY OF TITLE INSURANCE (Form T-1)
       (Not applicable for improved one-to-four family residential real estate)
       Policy Amount: $1,295,000.00
       PROPOSED INSURED: Dale Carnegie SRO, Ltd.
   (b) TEXAS RESIDENTIAL OWNER'S POLICY OF TITLE INSURANCE
       --ONE-TO-FOUR FAMILY RESIDENCES (Form T-1R)
       Policy Amount: $ PROPOSED INSURED:
   (c) LOAN POLICY OF TITLE INSURANCE (Form T-2)
       Policy Amount: PROPOSED INSURED:
       Proposed Borrower:
   (d) TEXAS SHORT FORM RESIDENTIAL LOAN POLICY OF TITLE INSURANCE (Form T-2R)
       Policy Amount: $ PROPOSED INSURED:
       Proposed Borrower:
   (e) LOAN TITLE POLICY BINDER ON INTERIM CONSTRUCTION LOAN (Form T-13)
       Binder Amount: $ PROPOSED INSURED:
       Proposed Borrower:
   (f) OTHER -
       Policy Amount: $ PROPOSED INSURED:

2. The interest in the land covered by this Commitment is:
   Fee Simple

3. Record title to the land on the Effective Date appears to be vested in:
   THE ZAYA AND SHERRY YOUNAN FAMILY TRUST

4. Legal description of the land:


THENCE, IN A NORTHEASTERLY DIRECTION, WITH A CURVE TO THE RIGHT, HAVING A RADIUS OF 955.00 FEET, A CENTRAL ANGLE OF 11 DEG. 13 MIN. 18 SEC., AN ARC LENGTH OF 187.04 FEET AND A CHORD BEARING AND DISTANCE OF NORTH 64 DEG. 29 MIN. 17 SEC. EAST — 186.74 FEET, TO A 1/2 INCH IRON ROD FOUND MARKING THE WEST CORNER OF A CALLED 1.20 ACRE TRACT CONVEYED TO WELLINGTON DEVELOPMENT FMC SAVOY LTD AS RECORDED UNDER H.C.C.F. NO. RP-2016-529424 AND THE NORTH CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE, SOUTH 47 DEG. 04 MIN. 56 SEC. EAST, ALONG THE SOUTHWEST LINE OF SAID CALLED 1.20 ACRE TRACT, A DISTANCE OF 222.89 FEET TO A MAG NAIL FOUND ON THE NORTHWEST LINE OF A CALLED 5.0358 ACRE TRACT CONVEYED TO CAR ASSOCIATES XII, LLC AS RECORDED UNDER H.C.C.F. NO. 20080294392, MARKING THE EAST CORNER OF THE HEREIN DESCRIBED TRACT;


THENCE, NORTH 02 DEG. 20 MIN. 16 SEC. WEST, ALONG THE EAST LINE OF SAID RESERVE 'B', A DISTANCE OF 410.48 FEET TO THE PLACE OF BEGINNING AND CONTAINING 1.979 ACRES OR 86,221 SQUARE FEET OF LAND.
SCHEDULE B

EXCEPTIONS FROM COVERAGE

In addition to the Exclusions and Conditions and Stipulations, your Policy will not cover loss, costs, attorney's fees, and expenses resulting from:

1. The following restrictive covenants of record itemized below (We must either insert specific recording data or delete this exception):


2. Any discrepancies, conflicts, or shortages in area or boundary lines, or any encroachments or protrusions, or any overlapping of improvements.

3. Homestead or community property or survivorship rights, if any of any spouse of any insured. (Applies to the Owner's Policy only.)

4. Any titles or rights asserted by anyone, including but not limited to, persons, the public, corporations, governments or other entities,
   a. to tidelands, or land comprising the shores or beds of navigable or perennial rivers and streams, lakes, bays, gulfs or oceans, or
   b. to lands beyond the line of the harbor or bulkhead lines as established or changed by any government, or
   c. to filled-in lands, or artificial islands, or
   d. to statutory water rights, including riparian rights, or
   e. to the area extending from the line of mean low tide to the line of vegetation, or the rights of access to that area or easement along and across that area.
   (Applies to the Owner's Policy only.)

5. Standby fees, taxes and assessments by any taxing authority for the year 2018, and subsequent years; and subsequent taxes and assessments by any taxing authority for prior years due to change in land usage or ownership, but not those taxes or assessments for prior years because of an exemption granted to a previous owner of the property under Section 11.13, Texas Tax Code, or because of improvements not assessed for a previous tax year. (If Texas Short Form Residential Loan Policy of Title Insurance (T-2R) is issued, that policy will substitute "which become due and payable subsequent to Date of Policy" in lieu of "for the year 2018 and subsequent years ".)

6. The terms and conditions of the documents creating your interest in the land.

7. Materials furnished or labor performed in connection with planned construction before signing and delivering the lien document described in Schedule A, if the land is part of the homestead of the owner. (Applies to the Loan Title Policy Binder on Interim Construction Loan only, and may be deleted if satisfactory evidence to us before a binder is issued.)

8. Liens and leases that affect the title to the land, but that are subordinate to the lien of the insured mortgage. (Applies to Loan Policy only.)

9. The Exceptions from Coverage and Express Insurance in Schedule B of the Texas Short Form Residential Loan Policy of Title Insurance (T-2R). (Applies to Texas Short Form Residential Loan Policy of Title Insurance (T-2R) only). Separate exceptions 1 through 8 of this Schedule B do not apply to the Texas Short Form Residential Loan Policy of Title Insurance (T-2R).

10. The following matters and all terms of the documents creating or offering evidence of the matters (We must insert matters or delete this exception.):
EXCEPTIONS FROM COVERAGE

a. Rights of parties in possession. (Owner Title Policy only)

b. An easement 10 feet wide along the west line, and an aerial easement 5 feet wide from a plane 20 feet above the ground upward, located adjacent thereto for the use of public utilities as reflected by instrument recorded in Volume 3578, Page 88 of the Deed Records of Harris County, Texas.

c. Intentionally deleted

d. An easement 10 feet wide along the west property line, and an aerial easement 5 feet wide from a plane 20 feet above the ground upward, located adjacent thereto, as granted to Houston Lighting & Power Company by instrument recorded under Clerk's File No. F-044256 of the Real Property Records of Harris County, Texas.

e. Intentionally deleted

f. Subject to all easements and building set back lines as reflected on the recorded plats.

g. Subject to easements and terms, conditions and stipulations as set forth in Reciprocal easement agreements as recorded under Clerk's File Nos. 20160529423 and 20170084522 of the Real Property Records of Harris County, Texas.

h. Intentionally deleted

i. Rights of tenants and assigns, as tenants only, under currently effective lease agreements.

j. Annual Maintenance Charge payable to Regency Square Improvement Association secured by a vendor's lien retained in the instrument recorded under Clerk's File No. D-995004 and amended by instrument recorded under Clerk's File No. F-055905 of the Real Property Records of Harris County, Texas. This lien having been subordinated therein to all valid purchase money and/or construction liens.

k. Subject to easements and terms, conditions and stipulations as set forth in Reciprocal Easement Agreement as recorded under Clerks File Number 20170084522 of the real property records of Harris County, Texas.

l. Any rights, easements, interests or claims which may exist by reason of Signs, Access and Driveways along the est property line, Service Utilities and concrete or pavement extend into and outside portions of the property, as reflected on survey drawing made by Kevin M. Reidy, R.P.L.S. No. 6450, dated February 6, 2018.
Your Policy will not cover loss, costs, attorneys' fees, and expenses resulting from the following requirements that will appear as Exceptions in Schedule B of the Policy, unless you dispose of these matters to our satisfaction, before the date the Policy is issued:

1. Documents creating your title or interest must be approved by us and must be signed, notarized and filed for record.

2. Satisfactory evidence must be provided that:
   a. no person occupying the land claims any interest in that land against the persons named in paragraph 3 of Schedule A,
   b. all standby fees, taxes, assessments and charges against the property have been paid,
   c. all improvements or repairs to the property are completed and accepted by the owner, and that all contractors, subcontractors, laborers and suppliers have been fully paid, and that no mechanic's, laborer's or materialman's liens have attached to the property,
   d. there is legal right of access to and from the land,
   e. (on a Loan Policy only) restrictions have not been and will not be violated that affect the validity and priority of the insured mortgage.

3. You must pay the seller or borrower the agreed amount for your property or interest.

4. Any defect, lien or other matter that may affect title to the land or interest insured, that arises or is filed after the effective date of this Commitment.

5. Note: Procedural Rule P-27 as provided for in Section 2561.202, Texas Insurance Code requires that “Good Funds” be received and deposited before a Title Agent may disburse from its Trust Fund Account. Procedural Rule P-27 provides a list of the types of financial documents and instruments which satisfy this requirement. Please be advised that we reserve the right to determine on a case-by-case basis what form of good funds is acceptable.

6. Deed of Trust dated OCTOBER 4, 2017 recorded under Clerk's File No. 20170438757 of the Real Property Records, executed by ZAYA YOUNAN AND SHERRY YOUNAN, TRUSTEES OF THE ZAYA AND SHERRY YOUNAN FAMILY TRUST DATED MAY 7, 2010 in favor of LARRY FISHER, Trustee, securing the payment of one note in the principal amount of 5,000,000.00 bearing interest and payable as therein provided to the order of REVERE HIGH YIELD FUND, LP. Said Deed of Trust contains provisions for other and future indebtedness to be secured thereunder. Said Deed of Trust also constitutes a security agreement under the Uniform Commercial Code of the State of Texas.

   Said Lien being additionally secured by Assignment of Leases and/or Rents recorded under Clerk's File No. 20170438758 of the Real Property Records of Harris County, Texas.

   Same being additionally secured by a Security Interest granted to REVERE HIGH YIELD FUND LP Secured Party, by TRUSTEES OF THE ZAYA AND SHERRY YOUNAN FAMILY TRUST DATE MAY 7, 2010 Debtor, as shown by a Financing Statement (UCC-1) filed on OCTOBER 5, 2017 under Clerk's File No. 20170438759 of the Real Property Records of Harris County, Texas.

7. Subject property is located in the SOUTHWEST MANAGEMENT DISTRICT This district may issue an unlimited amount of bonds, levy an unlimited rate of tax in payment of such bonds, and impose a standby fee on property in the district that has water or sewer facilities available but not connected. The most recent rate of taxes levied by the district on real property is $0.08 on each $100.00 of assessed valuation.

   Prior to the issuance of any policy, Seller is to furnish a properly executed and acknowledged Notice in compliance with the provisions set forth in Section 49.452 and 49.231 of the Texas Water Code, which Notice must be signed and acknowledged by the Purchaser and subsequently filed in the Real Property Records of Harris County, Texas.
8. Prior to the closing of the present transaction, we must be furnished with an executed copy of the Trust Agreement of THE ZAYA AND SHERRY YOUNAN FAMILY TRUST and any amendments thereto, fully authorizing the Trustees to sell or mortgage the herein described property.

9. Intentionally deleted

10. The contract needs to be amended by all parties setting forth and reflecting the legal as set forth herein that is to be insured/conveyed in this transaction.

11. Company requires that the record owner execute an Affidavit as to Debts and Liens evidencing the fact that no mortgages or other indebtedness affect the property in question.

12. Closer is to satisfy himself/herself that the purchaser is a corporation in good standing with the Secretary of State, and is authorized to do business in the State of Texas.

13. City of Houston Ordinance 1999-262, relating to rules, regulations and design standards for development and platting and providing for the establishment of building setback lines. (For Information Only)

   City of Houston Ordinance 89-1312, a certified copy of which is recorded under Harris County Clerk's file number M-337573, relating to the giving of a Notice regarding Deed Restrictions to buyers of restricted property. (For Information Only)

   NOTE: Title by virtue of Deed recorded under Clerk's File No. 20160320362 of the Real Property Records of Harris County, Texas
The information contained in this Schedule (D) does not affect title to or the lien upon the land described in Schedule A hereof, to be insured in any policy(ies) of title insurance to be issued in accordance with this Commitment.

As to Stewart Title Guaranty Company, the Underwriter herein, the following disclosures are made as of December 31, 2016:

A-1. Shareholders owning or controlling, or holding, directly or indirectly, ten percent (10%) or more of the shares of Stewart Title Guaranty Company as of the last day of the year preceding the date hereinabove set forth are as follows:
   Stewart Information Services Corporation - 100%

A-2. The members of the Board of Directors of Stewart Title Guaranty Company as of the last day of the year preceding the date hereinabove set forth are as follows: Malcolm Morris, Charles F. Howard, Matthew Morris, Stewart Morris, Stewart Morris, Jr., John Killea and Allen Berryman.

A-3. The designated officers of Stewart Title Guaranty Company as of the date hereinabove set forth are as follows: Matthew Morris, Chief Executive Officer & President; Allen Berryman, Chief Financial Officer & Assistant Secretary-Treasurer; Timothy Okrie, Chief Operations Officer; Brad Rable, Chief Information Officer; Genady Vishnevetsky, Chief Information Security Officer; Jay Milligan, Chief Revenue Officer; Ann Manal, Chief Human Resources Officer; Dave Fauth, Group President – Direct Operations; Steven M. Lessack, Group President – International Operations; Patrick Beall, Group President; John Killea, General Counsel & Chief Compliance Officer; Bruce Hawley, Executive Vice President – Commercial Services; Richard Black, Senior Vice President – Associate Senior Underwriting Counsel; James Gosdin, Senior Vice President – Chief Underwriting Counsel & Associate General Counsel; John Rothermel, Senior Vice President – Regional Underwriting Counsel.

As to Stewart Title Guaranty Company - Commercial Services (Title Insurance Agent), the following disclosures are made:

B-1: Shareholders, owners, partners or other persons having, owning or controlling 1% or more of Title Insurance Agent are as follows: Stewart Title Guaranty Company - 100%

B-2: Shareholders, owners, partners, or other persons having, owning or controlling 10% or more of any entity that has, owns, or controls 1% or more of Title Insurance Agent are as follows: Stewart Information Services Corporation - 100%

B-3: If Title Insurance Agent is a corporation, the following is a list of the members of the Board of Directors:
   Matthew W. Morris, Allen Berryman, John L. Killea

B-4: If Title Insurance Agent is a corporation, the following is a list of its officers:

   Matthew W. Morris, Chairman, Chief Executive Officer and President
   Allen Berryman, Chief Financial Officer, Assistant Secretary-Treasurer
   John L. Killea, General Counsel
   Denise Carraux, Secretary & Assistant Treasurer
   Ken Anderson, Jr., Treasurer and Assistant Secretary

C-1. You are entitled to receive advance disclosure of settlement charges in connection with the proposed transaction to which this commitment relates. Upon your request, such disclosure will be made to you. Additionally, the name of any person, firm or corporation receiving a portion of the premium from the settlement of this transaction will be disclosed on the closing or settlement statement.

You are further advised that the estimated title premium* is:

| Owner's Policy | $0.00 |
| Loan Policy   |       |
| Endorsement Charges | $0.00 |
| Other         |       |
| **Total**     | **$0.00** |

Of this total amount 15% will be paid to Stewart Title Guaranty Company; 85% will be retained by Title Insurance Agent; and any remainder of the estimated premium will be paid to other parties as follows:

<table>
<thead>
<tr>
<th>Amount</th>
<th>To Whom</th>
<th>For Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>or</td>
<td>%</td>
<td></td>
</tr>
<tr>
<td>or</td>
<td>%</td>
<td></td>
</tr>
<tr>
<td>or</td>
<td>%</td>
<td></td>
</tr>
</tbody>
</table>

*The estimated premium is based upon information furnished to us as of the date of this Commitment for Title Insurance. Final determination of the amount of the premium will be made at closing in accordance with the Rules and Regulations adopted by the Commissioner of Insurance."
ARBITRATION is a common form of alternative dispute resolution. It can be a quicker and cheaper means to settle a dispute with your Title Insurance Company. However, if you agree to arbitrate, you give up your right to take the Title Insurance Company to court and your rights to discovery of evidence may be limited in the arbitration process. In addition, you cannot usually appeal an arbitrator’s award.

Your policy contains an arbitration provision (shown below). It allows you or the Company to require arbitration if the amount of insurance is $2,000,000 or less. If you want to retain your right to sue the Company in case of a dispute over a claim, you must request deletion of the arbitration provision before the policy is issued. You can do this by signing this form and returning it to the Company at or before the closing of your real estate transaction or by writing to the Company.

The arbitration provision in the Policy is as follows:

“Either the Company or the Insured may demand that the claim or controversy shall be submitted to arbitration pursuant to the Title Insurance Arbitration Rules of the American Land Title Association (“Rules”). Except as provided in the Rules, there shall be no joinder or consolidation with claims or controversies of other persons. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the Insured arising out of or relating to this policy, any service in connection with its issuance or the breach of a policy provision, or to any other controversy or claim arising out of the transaction giving rise to this policy. All arbitrable matters when the Amount of Insurance is $2,000,000 or less shall be arbitrated at the option of either the Company or the Insured, unless the Insured is an individual person (as distinguished from an Entity). All arbitrable matters when the Amount of Insurance is in excess of $2,000,000 shall be arbitrated only when agreed to by both the Company and the Insured. Arbitration pursuant to this policy and under the Rules shall be binding upon the parties. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court of competent jurisdiction.”

SIGNATURE __________________________________________ DATE ________________________________
STG Privacy Notice
Stewart Title Companies

WHAT DO THE STEWART TITLE COMPANIES DO WITH YOUR PERSONAL INFORMATION?

Federal and applicable state law and regulations give consumers the right to limit some but not all sharing. Federal and applicable state law regulations also require us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand how we use your personal information. This privacy notice is distributed on behalf of the Stewart Title Guaranty Company and its title affiliates (the Stewart Title Companies), pursuant to Title V of the Gramm-Leach-Bliley Act (GLBA).

The types of personal information we collect and share depend on the product or service that you have sought through us. This information can include social security numbers and driver's license number.

All financial companies, such as the Stewart Title Companies, need to share customers' personal information to run their everyday business—to process transactions and maintain customer accounts. In the section below, we list the reasons that we can share customers' personal information; the reasons that we choose to share; and whether you can limit this sharing.

<table>
<thead>
<tr>
<th>Reasons we can share your personal information.</th>
<th>Do we share</th>
<th>Can you limit this sharing?</th>
</tr>
</thead>
<tbody>
<tr>
<td>For our everyday business purposes— to process your transactions and maintain your account. This may include running the business and managing customer accounts, such as processing transactions, mailing, and auditing services, and responding to court orders and legal investigations.</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>For our marketing purposes— to offer our products and services to you.</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>For joint marketing with other financial companies</td>
<td>No</td>
<td>We don’t share</td>
</tr>
<tr>
<td>For our affiliates’ everyday business purposes— information about your transactions and experiences. Affiliates are companies related by common ownership or control. They can be financial and non-financial companies. Our affiliates may include companies with a Stewart name; financial companies, such as Stewart Title Company</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>For our affiliates’ everyday business purposes— information about your creditworthiness.</td>
<td>No</td>
<td>We don’t share</td>
</tr>
<tr>
<td>For our affiliates to market to you — For your convenience, Stewart has developed a means for you to opt out from its affiliates marketing even though such mechanism is not legally required.</td>
<td>Yes</td>
<td>Yes, send your first and last name, the email address used in your transaction, your Stewart file number and the Stewart office location that is handling your transaction by email to <a href="mailto:optout@stewart.com">optout@stewart.com</a> or fax to 1-800-335-9591.</td>
</tr>
<tr>
<td>For non-affiliates to market to you. Non-affiliates are companies not related by common ownership or control. They can be financial and non-financial companies.</td>
<td>No</td>
<td>We don’t share</td>
</tr>
</tbody>
</table>

We may disclose your personal information to our affiliates or to non-affiliates as permitted by law. If you request a transaction with a non-affiliate, such as a third party insurance company, we will disclose your personal information to that non-affiliate. [We do not control their subsequent use of information, and suggest you refer to their privacy notices.]

SHARING PRACTICES

<table>
<thead>
<tr>
<th>How often do the Stewart Title Companies notify me about their practices?</th>
<th>We must notify you about our sharing practices when you request a transaction.</th>
</tr>
</thead>
<tbody>
<tr>
<td>How do the Stewart Title Companies protect my personal information?</td>
<td>To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer, file, and building safeguards.</td>
</tr>
<tr>
<td>How do the Stewart Title Companies collect my personal information?</td>
<td>We collect your personal information, for example, when you request insurance-related services; provide such information to us. We also collect your personal information from others, such as the real estate agent or lender involved in your transaction, credit reporting agencies, affiliates or other companies.</td>
</tr>
<tr>
<td>What sharing can I limit?</td>
<td>Although federal and state law give you the right to limit sharing (e.g., opt out) in certain instances, we do not share your personal information in those instances.</td>
</tr>
</tbody>
</table>

Contact us:  If you have any questions about this privacy notice, please contact us at: Stewart Title Guaranty Company,
1980 Post Oak Blvd., Privacy Officer, Houston, Texas 77056

File No.: 18000330035

Page 1
Revised 11-19-2013
February 28, 2018

File No.: 18000330035
Title Insurance Commitment and Title Data, Inc.

Dear Customer:

The attached title insurance commitment contains information which has been obtained or derived from records and information owned by Title Data, Inc. or one of its subsidiaries (collectively "Title Data"). Title Data owns and maintains land title plants for various Texas counties. Title Data created its title plants through the investment of extensive time, labor, skill and money. The information contained in the title plants is protected by federal copyright law and Texas common law on trade secrets and contract.

Title Data has granted our company a license to use one or more of its title plants. Our company's right to access and use Title Data's title plants is governed by our contract with Title Data. Our contract with Title Data restricts who can receive and/or use a title insurance commitment which is based, in whole or in part, upon Title Data's records and information.

Under the terms of our contract with Title Data, we are permitted to provide you with the attached title insurance commitment for limited use and distribution only. Specifically, you are sublicensed to deliver, exhibit, or furnish the attached title insurance commitment (or any copies thereof) ONLY to your bona fide employees and a third party who is playing a bona fide role in this proposed real estate transaction, including a lawyer, a lender, a surveyor, a real estate broker or agent, and the parties to this proposed transaction.

For purposes of our agreement with Title Data, "deliver, exhibit, or furnish" includes, without limitation, copying this title insurance commitment (whether such copying be by means of a photocopier, facsimile machine, another electronic scanning device, or any other method of reproduction) and providing such copy to any third party.

Your furnishing of the attached title insurance commitment to anyone not specifically enumerated above is not permitted by our contract with Title Data and constitutes a breach of our sublicense to you. Your furnishing of the attached title insurance commitment to anyone not specifically enumerated above is also a violation of federal copyright law and Texas common law.

Therefore, as an express condition of us providing you with the attached title insurance commitment, you specifically agree to limit its uses to those set forth herein, and to provide a copy of this letter to any party to whom you deliver, exhibit, or furnish the attached title insurance commitment (or any copies thereof).

In the event you are unable or unwilling to comply with these conditions, immediately return the attached title insurance commitment to our company, without reviewing, copying or otherwise utilizing in any way the information contained therein.

A COPY OF THIS LETTER MUST ACCOMPANY THE ATTACHED TITLE INSURANCE COMMITMENT AT ALL TIMES. ALL DOWNSTREAM RECIPIENTS MUST PROVIDE A COPY OF THIS LETTER TO ANY OTHER AUTHORIZED USERS OF THE ATTACHED TITLE INSURANCE COMMITMENT.

Thank you for your business.

Sincerely,
Stewart Title Guaranty Company - Commercial Services

[Signature]

Authorized Countersignature

Carol Wright
The 2018 Qualified Census Tracts (QCTs) and Difficult Development Areas (DDAs) are effective January 1, 2018. The 2018 designations use data from the 2010 Decennial census and three releases of 5-year tabulations from the American Community Survey (ACS), 2009-2013, 2010-2014, and 2011-2015. The design method is explained in the federal Register notice published September X, 2017.

Select Year
- 2018
- 2017
Multiple Site Information Form

This exhibit is required if a development site is assembled by aggregating noncontiguous tracts conveyed by one contract, or tracts conveyed by more than one contract whether contiguous or not. For each contract, list the address, legal description and acreage of each tract. The sum of the acreages must equal or exceed the acreage of the corresponding site plan(s) before dedications and other foreseeable reductions. Provide a reconciliation of any discrepancy (dedications, takings, reserves for other uses, etc.). **Behind this form, provide a plat of the acquisitions that correspond to each distinct development site. The plat should state the dimensions of each tract and identify the address, legal description and acreage. If the development site boundaries do not match the boundaries of the platted acquisitions, provide an overlay plat of the development site.**

<table>
<thead>
<tr>
<th>Contract Number</th>
<th>Census Tract</th>
<th>Acreage</th>
<th>Date of Sale</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Street Address</th>
<th>City</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Contact Name for Seller</th>
<th>Name of Seller Entity</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>Only list if owner has owned &lt;36 mos.</em></td>
<td><em>Only list if owner has owned &lt;36 mos.</em></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Contact Name for Previous Seller</th>
<th>Name of Previous Seller Entity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Seller Address</th>
<th>City</th>
<th>State</th>
<th>Zip</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

Did the seller acquire the property through foreclosure or deed in lieu of foreclosure? [ ] Yes, describe relationship: [ ]

Is the seller affiliated with the Applicant, Principal, sponsor, or Development Team? [ ]

If yes above, describe relationship: [ ]

Contract includes more than one tract/lot. Address, legal description, and acreage are below.

<table>
<thead>
<tr>
<th>a. Address</th>
<th>Abbreviated Legal</th>
<th>Acres</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>b. Address</th>
<th>Abbreviated Legal</th>
<th>Acres</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>c. Address</th>
<th>Abbreviated Legal</th>
<th>Acres</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**NOT APPLICABLE**
Elected officials were identified in the **Pre-Application**, and there have been no changes.

(If box above is checked, these forms may be left **BLANK**.)

Please identify all elected officials which represent the Development Site.

<table>
<thead>
<tr>
<th>Elected Officials</th>
<th>District</th>
<th>Email</th>
<th>Address</th>
<th>City</th>
<th>Zip</th>
</tr>
</thead>
<tbody>
<tr>
<td>John Culberson</td>
<td>7</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>US Representative</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Borris L. Miles</td>
<td>13</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State Senator</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Support Letter</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sylvester Turner</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>City Mayor</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Richard Carranza</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>School Superintendent</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Houston ISD</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4400 West 18th Street</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Address</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rhonda Skillern-Jones</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Presiding officer of Board of Trustees</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Houston ISD</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4400 West 18th Street</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Address</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gene Wu</td>
<td>137</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State Representative</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Support Letter</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ed Emmett</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>County Judge</td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

**While Applicants are not required to notify US Representatives, the Department is required to notify them. Therefore, Applicant must identify the appropriate US Representative of the district containing the Development.**
<table>
<thead>
<tr>
<th>Name</th>
<th>District/Precinct</th>
<th>Email or Phone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mike Knox</td>
<td>At Large 1</td>
<td><a href="mailto:atlarge1@houstontx.gov">atlarge1@houstontx.gov</a></td>
</tr>
<tr>
<td>Jerry Davis</td>
<td>B</td>
<td><a href="mailto:districtb@houstontx.gov">districtb@houstontx.gov</a></td>
</tr>
<tr>
<td>Ellen Cohen</td>
<td>C</td>
<td><a href="mailto:districtc@houstontx.gov">districtc@houstontx.gov</a></td>
</tr>
<tr>
<td>Dwight Boykins</td>
<td>D</td>
<td><a href="mailto:districtd@houstontx.gov">districtd@houstontx.gov</a></td>
</tr>
<tr>
<td>Dave Martin</td>
<td>E</td>
<td><a href="mailto:districte@houstontx.gov">districte@houstontx.gov</a></td>
</tr>
<tr>
<td>Steve Le</td>
<td>F</td>
<td><a href="mailto:districtf@houstontx.gov">districtf@houstontx.gov</a></td>
</tr>
<tr>
<td>Greg Travis</td>
<td>G</td>
<td><a href="mailto:districtg@houstontx.gov">districtg@houstontx.gov</a></td>
</tr>
<tr>
<td>Karla Cisneros</td>
<td>H</td>
<td><a href="mailto:districth@houstontx.gov">districth@houstontx.gov</a></td>
</tr>
<tr>
<td>Robert Gallegos</td>
<td>I</td>
<td><a href="mailto:districti@houstontx.gov">districti@houstontx.gov</a></td>
</tr>
<tr>
<td>Mike Laster</td>
<td>J</td>
<td><a href="mailto:districtj@houstontx.gov">districtj@houstontx.gov</a></td>
</tr>
<tr>
<td>Larry Green</td>
<td>K</td>
<td><a href="mailto:districtk@houstontx.gov">districtk@houstontx.gov</a></td>
</tr>
<tr>
<td>Mike Knox</td>
<td>At Large 1</td>
<td><a href="mailto:atlarge1@houstontx.gov">atlarge1@houstontx.gov</a></td>
</tr>
<tr>
<td>David Robinson</td>
<td>At Large 2</td>
<td><a href="mailto:atlarge2@houstontx.gov">atlarge2@houstontx.gov</a></td>
</tr>
<tr>
<td>Elected Officials (Continued)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>-------------------------------</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Michael Kubosh</td>
<td>At Large 3</td>
<td><a href="mailto:atlarge3@houstontx.gov">atlarge3@houstontx.gov</a></td>
</tr>
<tr>
<td><strong>City Council Member</strong></td>
<td>District/Precinct</td>
<td>Email or Phone</td>
</tr>
<tr>
<td>Amanda Edwards</td>
<td>At Large 4</td>
<td><a href="mailto:atlarge4@houstontx.gov">atlarge4@houstontx.gov</a></td>
</tr>
<tr>
<td><strong>City Council Member</strong></td>
<td>District/Precinct</td>
<td>Email or Phone</td>
</tr>
<tr>
<td>Jack Christie</td>
<td>At Large 5</td>
<td><a href="mailto:atlarge5@houstontx.gov">atlarge5@houstontx.gov</a></td>
</tr>
<tr>
<td><strong>City Council Member</strong></td>
<td>District/Precinct</td>
<td>Email or Phone</td>
</tr>
<tr>
<td>Rodney Ellis</td>
<td>1</td>
<td><a href="mailto:comm_ellis@cp1.hctx.net">comm_ellis@cp1.hctx.net</a></td>
</tr>
<tr>
<td><strong>County Commissioner</strong></td>
<td>District/Precinct</td>
<td>Email or Phone</td>
</tr>
<tr>
<td>Jack Morman</td>
<td>2</td>
<td><a href="mailto:jack.morman@pct2.hctx.net">jack.morman@pct2.hctx.net</a></td>
</tr>
<tr>
<td><strong>County Commissioner</strong></td>
<td>District/Precinct</td>
<td>Email or Phone</td>
</tr>
<tr>
<td>Steve Radack</td>
<td>3</td>
<td><a href="mailto:pct3@pct3.com">pct3@pct3.com</a></td>
</tr>
<tr>
<td><strong>County Commissioner</strong></td>
<td>District/Precinct</td>
<td>Email or Phone</td>
</tr>
<tr>
<td>R. Jack Cagle</td>
<td>4</td>
<td><a href="mailto:commissionercagle@hcp4.net">commissionercagle@hcp4.net</a></td>
</tr>
<tr>
<td><strong>County Commissioner</strong></td>
<td>District/Precinct</td>
<td>Email or Phone</td>
</tr>
</tbody>
</table>
Organizations were identified in the Pre-Application, and there have been no changes.
(If above is checked, these forms may be left **BLANK**)

1. Name of Organization | Contact Name
-------------------------|-------------------------
Address                  | City                     
Zip                      | Phone                    | Fax or Email

Identify all Neighborhood Organizations on record with the county or Texas Secretary of State as of the beginning of the Application Acceptance Period whose boundaries include the Development Site.
CERTIFICATION OF NOTIFICATIONS (ALL PROGRAMS)

Pursuant to §10.203 of the Uniform Multifamily Rules, evidence of notifications includes this sworn affidavit, and the Elected Officials and Neighborhood Organizations Forms. All Applicants, or persons with signing authority, must complete Part 1 or Part 2 below:

Part 1. Notifications made at Pre-Application (Competitive HTC only):

- I (We) certify that The pre-application included evidence of these notifications pursuant to §10.203 of the Uniform Multifamily Rules, the pre-application met all threshold requirements, and no additional notifications were required with this full application.

Part 2. Notifications - Form and Content:

- I (we) certify that the notifications are not older than 3 months from the first day of the Application Acceptance Period for Competitive HTC Applications and not older than three (3) months prior to the date Parts 5 and 6 of the Application are submitted for Tax Exempt Bond Developments, and not older than three (3) months prior to the date the Application is submitted for all other Applications.

- I (we) certify that the notifications do not contain any false or misleading statements. Without limiting the generality of the foregoing, the notification does not create the impression that the proposed Development will serve a Target Population exclusively or as a preference without such targeting or preference being documented in the Application and is or will be in full compliance with all applicable state and federal laws, including state and federal fair housing laws.

- I (we) certify that the notifications or any other communications do not contain any statement that violates Department rules, statute, code, or federal requirements.

- I (We) certify that, in addition to all of the required neighborhood organizations, the following entities were notified in accordance with §10.203 of the Multifamily Uniform Rules. The notifications were in the format provided in the Application Notification Template. All of the following entities were notified and are correctly listed on the Elected Officials Form and Neighborhood Organizations Form:
  - Superintendent of the school district containing the Development;
  - Presiding officer of the board of trustees of the school district containing the Development;
  - Mayor of any municipality containing the Development;
  - All elected members of the Governing Body of any municipality containing the Development;
  - Presiding officer of the Governing Body of the county containing the Development;
  - All elected members of the Governing Body of the county containing the Development;
  - State senator of the district containing the Development; and
  - State representative of the district containing the Development.

- While not required to be submitted in this Application, I have kept evidence of all notifications made and this evidence may be requested by the Department at any time during the Application review.

Part 3. No Neighborhood Organizations exist (competitive HTC only):

- I (We) certify that no Neighborhood Organizations exist for which this Application would be eligible to receive points under §11.9(d)(4) of the QAP or for which notification is required.

Part 4. Certification

By: 

Signature of Applicant/Development Owner ___________________________  2/28/2018 

Printed Name Joy Horak-Brown 

Date
CERTIFICATION OF NOTIFICATIONS (continued)

I, the undersigned, a Notary Public in and for said County and State, do hereby certify that name is signed to the foregoing statement, and who is known to be one in the same, has acknowledged before me on this date, that being informed of the contents of this statement, executed the same voluntarily on the date same foregoing statement bears.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 28th day of February , 2018

Notary Public Signature

Texas Notary Public, State of

Harris County of

5/28/2020 My Commission expires

My Commission expires 5/28/2020

EMILY ABELN My Notary ID # 126535506
Expires May 28, 2020
### Development Narrative

1. **The proposed Development is:** *(Check all that apply)*

   - New Construction
   - and/or: 

   (adaptive reuse select New Construction here and adaptive reuse in next box)

   Previous TDHCA #  
   If Acquisition/Rehab or Rehab, original construction year: 
   If Reconstruction,  Units Demolished  Units Reconstructed  

   If Adaptive Reuse, Additional Phase, or Scattered Site, include detailed information in the Narrative (4.) below.

2. **The Target Population will be:**

   - Supportive Housing  

   Applicants seeking to be scored as Supportive Housing must select Supportive Housing as the population.

   §10.3(46)  If Elderly Preference is selected, complete the statement below and submit supporting documentation behind this tab.

   Elderly Preference is based on funding from:

3. **Staff Determinations regarding definitions of development activity obtained?**

   □  If a determination under §10.3(b) of the Uniform Multifamily Rules was made prior to Application submission, provide a copy of such determination behind this tab.

4. **Narrative**

   Briefly describe the proposed Development, including any relevant information not already identified above.

   Please see the attached Project Description and demographics and services overview

   If a revised form is submitted, date of submission:
New Hope Housing Dale Carnegie

New Hope Housing is working with various key parties to develop affordable housing at the southeast corner of Dale Carnegie and Regency Square in District J, Southwest Houston. The project is aimed at addressing the need for low income housing in the immediate neighborhood and will serve a wide spectrum of the Houston area’s female and male population.

New Hope Housing is a locally, nationally and internationally recognized nonprofit developer of affordable housing. New Hope has a 25-year track record of excellence in developing innovative housing solutions that feature strong property management and effective tenant services. We are the leading provider of single room occupancy (SRO) housing in the state of Texas. New Hope’s residents are women and men living alone on incomes that are typically less than $10,000 a year. Our Housing + Services model helps build communities and stabilize lives.

New Hope is a solution to the problem of substandard housing and homelessness. Together with collaborative partners, we offer the crucial support services that must accompany housing for people with extremely low incomes—veterans, the elderly, the working poor, people with disabilities, the formerly homeless and those at risk of homelessness. Our robust combination of Housing + Services offers people a launch pad to stabilize and improve their lives, and to remain in housing.

New Hope Housing’s purpose is to be a member of the community for the long term and we intend to be a 100-year institution offering Houstonians permanent, affordable housing in a supportive environment. We are in the early development stage for our ninth SRO property, New Hope Housing (NHH) Dale Carnegie. We anticipate financing this development through a public/private partnership that leverages Housing Tax Credits with funds from the City of Houston, as well as private foundations, corporations, churches, and individual donors.

It is important to note that New Hope carries zero debt. Our properties operate in the black, with the rental revenue covering property operations, plus a long term maintenance reserve. We do not raise funds for property operations from either public or private sources.

New Hope’s properties create a sense of place, and our buildings and the services delivered in them respond sensitively to the needs of the neighborhood where each property is located and the residents who live there. We rely on neighborhood leaders to keep us informed of local challenges, and we actively participate in Chambers of Commerce, SuperNeighborhoods, and Management Districts.

Currently, New Hope is Houston’s primary provider of Permanent Supportive Housing (PSH), productively moving the chronic or ‘street’ homeless into stable, permanent housing.

Dale Carnegie Site
The NHH Dale Carnegie location is situated on approximately 2 acres in the amenity rich area of Southwest Houston. The site is currently unimproved land and is in a designated Tax Increment Reinvestment Zone (TIRZ 20).

The Dale Carnegie property is being designed as a 150 to 160-unit SRO efficiency apartment complex, to be constructed and operated as an affordable 9% Housing Tax Credit development. The site is located at the
southeast corner of Dale Carnegie and Regency Square Blvd. (77036) in an urban, diverse setting. It is in District J, served by Council Member Mike Laster, who has long-expressed interest in bringing a New Hope Housing development into the district. This project is to be designed by distinguished architect, Ernesto L. Maldonado, AIA, GSMA. Ernesto also designed the following New Hope Housing projects: Brays Crossing, Rittenhouse, Harrisburg, and Reed. Camden Builders is expected to serve as the General Contractor.

With an estimated budget of $25MM, NHH Dale Carnegie is envisioned as a LEED certified, near-transit development in the diverse Southwest Houston neighborhood—a vibrant and engaged community. For New Hope, being ‘green’ displays our continued commitment as the lifetime owner of our properties – properties that need sustainable features to endure as meticulously-maintained community assets. Once developed, the property would offer affordable housing for decades, as required by a Land Use Restriction Agreement.

**Project Details**

The projected rent of approximately $550 includes free utilities, cable TV access and on-site supportive services. As is true of all of New Hope’s SRO properties, the front desk will be staffed 24/7. A percentage of units are expected to have rental supports with formerly homeless residents paying only 30% of their adjusted monthly income in rent. Carefully designed social services will be available on site to every resident.

- NHH Dale Carnegie will be designed as a 150 to 160-unit project that is a 3 to 4 story building surrounding a central courtyard/patio.
- Each unit will have a private bath and a small kitchenette with microwave and refrigerator.
- Well-designed, attractive shared spaces will include a building office/reception area (for 24/7-staffed front desk), a fully equipped community kitchen, furnished living/TV room, a community dining area, a fully equipped business center, a library, coin-operated laundry rooms, and meeting/social service office areas.
- Verdant outdoor spaces will provide residents calming places to gather and will be an important aspect of fostering a sense of community. The courtyard will include BBQ grills and picnic tables.
- The Dale Carnegie property is an affordable, amenity-oriented site with close proximity to higher education institutions, healthcare facilities, grocery stores, parks, retail shopping and restaurants. It is also located less than one linear mile of Baker Ripley’s Southwest Houston headquarters and multiservice facility.

New Hope Housing is a true and transparent nonprofit, and we work diligently with community members, and civic, political, and business leaders to establish two-way communication. New Hope builds and operates a high-quality product that is an important and enduring community asset for decades to come. We welcome property tours and invite the neighborhoods where we are located to use our community spaces, as available, for neighborhood meetings.

The following pages offer an overview of the citizens we serve and the services we offer that make New Hope Housing, Inc./HACDC a leader among peers in the development and operation of Supportive Housing.
### Resident Demographics

#### January 2018

<table>
<thead>
<tr>
<th>Category</th>
<th>January 2018</th>
<th>SRO Portfolio</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Units</strong></td>
<td>955</td>
<td></td>
</tr>
<tr>
<td><strong>YTD Average Occupancy</strong></td>
<td>93%</td>
<td></td>
</tr>
<tr>
<td><strong>Length of Stay</strong></td>
<td>33 mos.</td>
<td></td>
</tr>
<tr>
<td><strong>Gender</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>68%</td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>32%</td>
<td></td>
</tr>
<tr>
<td><strong>Ethnicity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>African American</td>
<td>65%</td>
<td></td>
</tr>
<tr>
<td>Caucasian</td>
<td>28%</td>
<td></td>
</tr>
<tr>
<td>Hispanic</td>
<td>6%</td>
<td></td>
</tr>
<tr>
<td>Asian</td>
<td>1%</td>
<td></td>
</tr>
<tr>
<td><strong>Income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average Income</td>
<td>$8,049</td>
<td></td>
</tr>
<tr>
<td>Employed</td>
<td>25%</td>
<td></td>
</tr>
<tr>
<td>SSD or VA Pension</td>
<td>47%</td>
<td></td>
</tr>
<tr>
<td><strong>Special Interest</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>People w/Disabilities</td>
<td>62%</td>
<td></td>
</tr>
<tr>
<td>Formerly Homeless</td>
<td>61%</td>
<td></td>
</tr>
<tr>
<td>Vehicle Owners</td>
<td>7%</td>
<td></td>
</tr>
<tr>
<td>Veterans</td>
<td>5%</td>
<td></td>
</tr>
</tbody>
</table>

#### Age Distribution

- 18 - 34: 12%
- 35 - 54: 34%
- 55 - 65: 46%
- 66+: 8%

#### Income Distribution

- $0 - $14,580: 79%
- $14,581 - $24,300: 3%
- $24,301 - $29,160: 1%
- $29,161 - $38,850: 16%

#### Gender Distribution

- Male: 68%
- Female: 32%

#### Ethnicity Distribution

- African American: 65%
- Caucasian: 28%
- Hispanic: 6%
- Asian: 1%

#### Income Distribution

- Average Income: $8,049
- Employed: 25%
- SSD or VA Pension: 47%
RESIDENT PROGRAMS  
2017 OVERVIEW

2018 BY THE NUMBERS

<table>
<thead>
<tr>
<th>Program</th>
<th>Numbers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volunteer hours, contributed by community</td>
<td>2,900</td>
</tr>
<tr>
<td>groups such as the Jewish Federation of</td>
<td></td>
</tr>
<tr>
<td>Greater Houston</td>
<td></td>
</tr>
<tr>
<td>Residents who participated in Sponsored</td>
<td>517</td>
</tr>
<tr>
<td>Events, such as Palmer Episcopal Church’s</td>
<td></td>
</tr>
<tr>
<td>“Serve Sunday”</td>
<td></td>
</tr>
<tr>
<td>Residents who received assistance with</td>
<td>304</td>
</tr>
<tr>
<td>Health Benefits, many though the Annual</td>
<td></td>
</tr>
<tr>
<td>Benefits Fairs</td>
<td></td>
</tr>
<tr>
<td>Residents who received life skills training,</td>
<td>475</td>
</tr>
<tr>
<td>such as credit counseling and budgeting</td>
<td></td>
</tr>
<tr>
<td>Residents who received primary health care</td>
<td>325</td>
</tr>
<tr>
<td>services</td>
<td></td>
</tr>
</tbody>
</table>

**REPORTED HEALTH SINCE MOVE-IN**

69% of residents who are actively working with a case manager, report that they make progress on their goals.

61% Say they feel more connected to their neighbors after participating in onsite community events.

51% of residents who participated in Financial Education saved money or opened a bank account.

54% Feel they made healthier decisions after participating in a Nutrition Workshop.
What does it mean to you to be stably housed? Some resident responses below:

<table>
<thead>
<tr>
<th>Response</th>
<th>Resident</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emotionally, financially, spiritually, mentally and physically stable in current housing.</td>
<td>Congress Resident</td>
</tr>
<tr>
<td>Living in an environment that is safe and secure; I can leave and come back whenever I please, and I can stay here as long as I need to!</td>
<td>Rittenhouse Resident</td>
</tr>
<tr>
<td>I don’t have to worry about where I am going to sleep, and I don’t have to pack bags around all day.</td>
<td>Canal Resident</td>
</tr>
<tr>
<td>Ability to focus on personal goals &amp; objectives.</td>
<td>Sakowitz Resident</td>
</tr>
<tr>
<td>Peace of mind and the ability to heal.</td>
<td>Perry Resident</td>
</tr>
</tbody>
</table>
SRO RESIDENT PROGRAMS UPDATE

PILLARS OF SRO RESIDENT PROGRAMS

The first cornerstone is Community, focused on New Hope’s commitment to residents to provide a safe, welcoming and open home.

New Hope’s Learning program is focused on the educational and professional advancement of residents.

Through Wellness, the mental and physical health of residents is cared for by partnering with organizations to bring services such as health screening and health/nutrition education on site.

2017 PROGRAM ATTENDANCE

<table>
<thead>
<tr>
<th>PILLARS</th>
<th>COMMUNITY</th>
<th>LEARNING</th>
<th>WELLNESS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Movie Night</td>
<td>4,766</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social Hour*</td>
<td>2,217</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sponsored Events</td>
<td>1,634</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Computer Literacy</td>
<td>Meals Served</td>
</tr>
<tr>
<td></td>
<td></td>
<td>&amp; Lab Visits</td>
<td>13,142</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Support Groups</td>
<td>Health Education</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Bible Study</td>
<td>Screening*</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>670</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Financial Education</td>
<td>Nutrition Education</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>387</td>
</tr>
</tbody>
</table>

*Required service at Tax Credit Properties.
5. **Funding Request:**
Complete the table below to describe this Application’s funding request. If applying for Multifamily Direct Loan funds, please select only one type of loan.

<table>
<thead>
<tr>
<th>Department Funds applying for with this Application</th>
<th>Requested Amount</th>
<th>If funds will be in the form of a Direct Loan by the Department or for Private Activity Bonds, the terms will be:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multifamily Direct Loan: Const. to Perm (Repayable)</td>
<td></td>
<td>Interest Rate (%)</td>
</tr>
<tr>
<td>Multifamily Direct Loan: Construction Only (Repayable)</td>
<td></td>
<td>0.00%</td>
</tr>
<tr>
<td>Multifamily Direct Loan: Const. to Perm. (Soft Repayable)</td>
<td></td>
<td>30</td>
</tr>
<tr>
<td>CHDO Operating Expenses Grant</td>
<td></td>
<td>$1,500,000</td>
</tr>
<tr>
<td>Housing Tax Credits</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Private Activity Mortgage Revenue</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

6. **§11.5 - Set-Aside** *(For Competitive HTC & Multifamily Direct Loan Applications Only)*
Identify any and all set-asides the application will be applying under with an "x".
Set-Asides cannot be added or dropped from pre-application to full Application for Competitive HTC Applications.

<table>
<thead>
<tr>
<th>Competitive HTC Only</th>
<th>Multifamily Direct Loan Only</th>
</tr>
</thead>
<tbody>
<tr>
<td>At-Risk</td>
<td>X</td>
</tr>
<tr>
<td>Nonprofit</td>
<td>USDA</td>
</tr>
<tr>
<td>USDA</td>
<td>CHDO</td>
</tr>
<tr>
<td>USDA</td>
<td>SH/SR</td>
</tr>
</tbody>
</table>

By selecting the set-aside above, I, individually or as the general partner(s) or officers of the Applicant entity, confirm that I (we) are applying for the above-stated Set-Aside(s) and Allocations. To the best of my (our) knowledge and belief, the Applicant entity has met the requirements that make this Application eligible for this (these) Set-Aside(s) and Allocations and will adhere to all requirements and eligibility standards for the selected Set-Aside(s) and Allocations.

7. **Previously Awarded State and Federal Funding**
Has this site/activity previously applied for TDHCA funds?  
No

Has this site/activity previously received TDHCA funds?  
No

If "Yes" Enter Project Number: ___________________________ and TDHCA funding source: ___________________________

Has this site/activity previously received non-TDHCA federal funding?  

If yes, source: 

Will this site/activity receive non-TDHCA federal funding for costs described in this Application?  
Yes

8. **Qualified Low Income Housing Development Election** *(HTC Applications only)*
Pursuant to §42(g)(1)(A) & (B), the term “qualified low income housing development” means any project or residential rental property, if the Development meets one of the requirements below, whichever is elected by the taxpayer.” Once an election is made, it is irrevocable. Select only one:

- At least 20% or more of the residential units in such development are both rent restricted and occupied by individuals whose income is 50% or less of the area median gross income, adjusted for family size.

- At least 40% or more of the residential units in such development are both rent restricted and occupied by individuals whose income is 60% or less of the median gross income, adjusted for family size.

If a revised form is submitted, date of submission: ___________________________
### Development Activities

1. **Common Amenities (ALL Multifamily Applications §10.101(b)(5))**

<table>
<thead>
<tr>
<th># of Units</th>
<th>must qualify for</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>170</td>
<td></td>
<td>18</td>
</tr>
</tbody>
</table>

   Development will provide sufficient common amenities to qualify for the number of points indicated above, pursuant to §10.101(b)(5) of the Uniform Multifamily Rules. Applications for scattered site developments should refer to §10.101(b)(5)(B) of the Uniform Multifamily Rules.

2. **Unit Requirements (ALL Multifamily Applications §10.101(b)(6)(A) and (B))**

   **A. Unit Sizes**

   Development is New Construction or Reconstruction and will meet the minimum Unit Size requirements:

<table>
<thead>
<tr>
<th>Bedroom Size</th>
<th>0</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Square Footage</td>
<td>500</td>
<td>600</td>
<td>800</td>
<td>1,000</td>
<td>1,200</td>
</tr>
</tbody>
</table>

   OR:

   Development is proposing Rehabilitation (excluding Reconstruction) or Supportive Housing, and does not adhere to the size requirements above.

   **B. Unit Amenities (For Competitive HTC Applications, see Tab 19 for Unit and Development Features)**

   Application is a Tax Exempt Bond Development and will meet a minimum of seven (7) points as outlined in §10.101(b)(6)(B) of the Uniform Multifamily Rules.

   Application is HOME only or other Department Direct Loan and will meet a minimum of four (4) points as outlined in §10.101(b)(6)(B) of the Uniform Multifamily Rules.

   ****Rehabilitation Developments will start with a base score of three (3) points and Supportive Housing Developments will start with a base score of five (5) points.**

3. **Tenant Supportive Services (For Competitive HTC Applications and Direct Loan Applications seeking to qualify for points under §13.6, see Tab 19 for Tenant Services elections)**

   Application is a **Tax Exempt Bond Development** and will meet a minimum of eight (8) points as outlined in §10.101(b)(7) of the Uniform Multifamily Rules.

   Application is **only requesting Direct Loan funds** and will meet a minimum four (4) points as outlined in §10.101(b)(7) of the Uniform Multifamily Rules.

4. **Development Accessibility Requirements (ALL Multifamily Applications)**

   Development will meet all specifications and accessibility requirements reflected in the Certification of Development Owner form pursuant to §10.101(b)(8) of the Uniform Multifamily Rules.

   All Units accessed by the ground floor or by elevator (“affected units”) comply with the visitability requirements in clauses (i) – (iii) of 10 TAC §10.101(b)(8)(B).

   and

   Development has a minimum of 5% of all units in the development set aside for the mobility impaired and an additional 2% set aside for the hearing and/or visually impaired.

   **Regardless of building type, all Units accessed by the ground floor or by elevator (“affected units”) must comply with the visitability requirements in clauses (i) – (iii) of 10 TAC §10.101(b)(8)(B).**
Development Activities (Continued)

1. **Size and Quality of Units (Competitive HTC Applications only) [§11.9(b)]**

   - Development is Rehabilitation and either Supportive Housing or USDA financed OR meets the minimum size requirements identified below:
     - **Bedroom Size**: 0 | 1 | 2 | 3 | 4
     - **Square Footage**: 550 | 650 | 850 | 1,050 | 1,250
     - Points claimed: 8

   - Specific amenities and quality features will be provided in every Unit at no extra charge to the tenant; Points claimed: 7

   - Development will maintain the points selected and associated with those amenities as outlined in §10.101(b)(6)(B) of the Uniform Multifamily Rules.*

   - *Direct Loan applicants proposing new construction or rehabilitation should be prepared to comply with requirements of the newly published Federal rule at 81 FR 92626, which requires installation of broadband infrastructure at the time of new construction or substantial rehabilitation of multifamily rental housing that is funded or supported by HUD.

2. **Rent Levels of Tenants and Tiebreaker (Direct Loan Applications only) [§13.6(e) and (f)]**

   - At least 20 percent of all low-income Units at 30% or less of AMGI* Direct Loan Points: 13

   - Applicants electing to restrict units at 30% AMGI for Competitive HTC purposes may not count those units for point scoring under §13.6(e). However, 50% AMGI and 60% AMGI units that are layered with 30% AMGI units for Direct Loan purposes may count for point scoring under §13.6(e).

   - Points claimed here will not appear on the Self Score tab.

3. **Income Levels of Tenants (Competitive HTC Applications only) [§11.9(c)(1)]**

   - **Total Number of Units at 50% or less of AMGI**
   - **Number of 30% Units used under §11.9(c)(1)**
   - **Number of 30% Units used under §11.4(c)(3)(D) regarding an Increase in Eligible Basis (30% boost)**
   - **Number of Units at 50% or less of AMGI available to use for points under §11.9(c)(1)**
   - **Percentage used for calculation of eligible points under §11.9(c)(1)**

   - Points claimed: 16

   - Applicants electing the 30% boost for additional 30% units are advised to ensure the units used to support the boost are not included in the units needed to achieve the Application’s scoring elections.

4. **Rent Levels of Tenants (Competitive HTC Applications only) [§11.9(c)(2)]**

   - Mark only one box below:
   - Development is located in a Non-Rural Area of the Dallas, Fort Worth, Houston, San Antonio or Austin MSA; or Points Claimed: 16

   - Developments proposed in all other areas.

5. **Tenant Services (Competitive HTC Applications and Direct Loan Applications) [§11.9(c)(3) and §13.6(d)]**

   - Development will provide a combination of supportive services as identified in §10.101(b)(7) and those services will be recorded in the Development’s LURA.

   - Supportive Housing Development proposed by a Qualified Nonprofit Points Claimed: 10

   - All other Developments.

   - The Applicant certifies that the Development will contact local service providers, and will make Development community space available to them on a regularly-scheduled basis to provide outreach services and education to the tenants.

6. **Tenant Populations with Special Housing Needs (Competitive HTC, MFDL, and Section 811 Applications) [§11.9(c)(7); §13.6(d)]**

   - Points Claimed: 11
Applicants scoring points under the Section 811 PRA program should pay close attention to the URA requirements included in Tab 21, Davis Bacon requirements under TAB 44 and the environmental clearance requirements included in Tab 47.

If pursuing these points, Applicants must try to score first with subparagraph (A) and then subparagraph (B). Only if an Applicant or Affiliate cannot meet the requirements of subparagraphs (A) or (B) may an Application qualify for points under subparagraph (C). Select only one scoring scenario below:

A  [ ] Applicant or Affiliate Owns or Controls an Existing Development that is included on the List of Eligible Existing Developments for Participation in the Section 811 PRA Program (See 10 TAC §8.3 and 10 TAC 8.4)

<table>
<thead>
<tr>
<th>Existing Development Name:</th>
<th>TDHCA #:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attached behind this tab is the executed Certification for Section 811 PRA Program Participation.</td>
<td>Points Claimed: 0</td>
</tr>
</tbody>
</table>

B  [ ] If not scoring under A above, Applicant or Affiliate is committing at least 10 Units in the proposed Development for participation in the Section 811 PRA Program

[ ] Applicant or Affiliate has attached behind this tab an explanation and documentation regarding the Applicant's or Affiliate's lack of Ownership interest or Control of any Existing Development that is included on the List of Qualified Existing Developments for Multifamily Programs;

AND

[ ] Attached behind this tab is the executed Certification for Section 811 PRA Program Participation.

Points Claimed: 0

C  [X] If cannot score under A or B above, Applicant elects to set-aside at least 5 percent of the total Units for Persons with Special Needs. Applications including MFDL cannot elect to score points under this item. The Department will require an initial minimum twelve-month period during which Units must either be occupied by Persons with Special Needs or held vacant, unless the units receive HOME funds from any source.

[X] Applicant or Affiliate has attached behind this tab an explanation and documentation regarding the Applicant's or Affiliate's lack of Ownership interest or Control of any Existing Development that is included on the List of Qualified Existing Developments for Multifamily Programs; and the Development applying for funding has a disqualifying factor described below:

Mark any of the following factors that disqualify the development applying for funding from participating in the Section 811 PRA Program and provide documentation supporting the selection:

- The Development is not proposing to use and previously did not use federal funding (such as HOME or CDBG funds), and the Development was originally constructed before 1978;

- Development only has units available that have existing or proposed project-based rental or long-term operating assistance that will be in effect when the property is operating or within six months of receiving Section 811 PRA Program assistance;

- Development only has units that are restricted for persons with disabilities. A Development having a preference for Persons with Disabilities or a use restriction for Special Needs Populations is not a disqualifying factor for purposes of this scoring item.

- Development only has units with an existing or proposed 62 or more age restriction.

- Development is not located in Austin-Round Rock MSA, Brownsville-Harlingen MSA, Corpus Christi MSA, Dallas-Fort Worth-Arlington MSA, El Paso MSA, Houston-The Woodlands-Sugar Land MSA, McAllen-Edinburg-Mission MSA, or San Antonio-New Braunfels MSA.

- The Development is a new construction project and located in the mapped 500-year floodplain or in the 100-year floodplain according to FEMA's most current Flood Insurance Rate Maps.

- The Development is located in a coastal high hazard area (V Zone) or regulatory floodway.

- Other disqualifying factor for set-aside units for individuals with a disability

All otherwise eligible developments exceed the Housing Integration threshold

Points Claimed: 2

Application is seeking points for Tenant Populations.

Points Claimed: 2
7. **Pre-Application Participation (Competitive HTC Applications only) [§11.9(e)(3)]**

   - Development is requesting Pre-Application Points. 

8. **Extended Affordability (Competitive HTC Applications only) [§11.9(e)(5)]**

   - Development will maintain a 35 year Affordability Period.

9. **Historic Preservation (Competitive HTC Applications only) [§11.9(e)(6)]**

   - Application requests points for Historic Preservation.
   - Application contains a letter from the Texas Historical Commission (THC) determining preliminary eligibility for federal or state historic (rehabilitation) tax credits.
   - Application includes documentation from the Texas Historical Commission that the property is currently a Certified Historic Structure or determining preliminary eligibility for status as a Certified Historic Structure.
   - Development will be able to document receipt of historic tax credits by the time Forms 8609 are issued.
   - At least 75% of the residential units will be within the Certified Historic Structure.
   - Attached behind this tab are the THC letter and other documentation described above.
   - Application is eligible for five (5) points.

10. **Right of First Refusal (Competitive HTC Applications only) [§11.9(e)(7)]**

    - Development Owner agrees to provide a Right of First Refusal to purchase the Development upon or following the end of the Compliance Period.

11. **Funding Request Amount (Competitive HTC Applications only) [§11.9(e)(8)]**

    - Application reflects funding request for no more than 100% of the amount available in the subregion or set-aside as of 12/5/2017.
## New Hope Housing/HACDC - Section 811 Eligibility

<table>
<thead>
<tr>
<th>Property</th>
<th>TDHCA ID</th>
<th>Received TDHCA Award</th>
<th>Number of Units</th>
<th>Closed in 2008 or After</th>
<th>Maintains 90% Occupancy</th>
<th>Transitional or Permanent</th>
<th>Project Based Vouchers</th>
<th>MOU Partnerships</th>
<th>Exceeds Integrated Housing Rule? (EXEMPT)</th>
</tr>
</thead>
<tbody>
<tr>
<td>NHH at Brays</td>
<td>7210</td>
<td>YES</td>
<td>149</td>
<td>YES</td>
<td>YES</td>
<td>Permanent</td>
<td>37</td>
<td>25%</td>
<td>43%</td>
</tr>
<tr>
<td>NHH at Perry</td>
<td>10084</td>
<td>YES</td>
<td>160</td>
<td>YES</td>
<td>Permanent</td>
<td>Permanent</td>
<td>40</td>
<td>25%</td>
<td>44</td>
</tr>
<tr>
<td>NHH at Sakowitz</td>
<td>8232</td>
<td>YES</td>
<td>166</td>
<td>YES</td>
<td>Permanent</td>
<td>Permanent</td>
<td>41</td>
<td>25%</td>
<td>48</td>
</tr>
<tr>
<td>NHH at Rittenhouse</td>
<td>12008</td>
<td>YES</td>
<td>160</td>
<td>YES</td>
<td>Permanent</td>
<td>Permanent</td>
<td>40</td>
<td>25%</td>
<td>86</td>
</tr>
<tr>
<td>NHH at Harrisburg</td>
<td>16406</td>
<td>YES</td>
<td>175</td>
<td>Lease Up</td>
<td>Permanent</td>
<td>Permanent</td>
<td>124</td>
<td>71%</td>
<td>0</td>
</tr>
<tr>
<td>NHH at Reed</td>
<td>16406</td>
<td>YES</td>
<td>187</td>
<td>Under Const.</td>
<td>Permanent</td>
<td>Permanent</td>
<td>117</td>
<td>63%</td>
<td>0</td>
</tr>
<tr>
<td>NHH at Dale Carnegie</td>
<td>18137</td>
<td>Pending</td>
<td>170</td>
<td>n/a</td>
<td>Permanent</td>
<td>TBD</td>
<td>TBD</td>
<td>25%+</td>
<td>TBD</td>
</tr>
</tbody>
</table>

### Section 811 Eligibility Narrative

For over twenty years New Hope Housing has dedicated itself to serving Houston’s most vulnerable populations: homeless, disabled, veterans, youth aging out of foster care, and the working poor. Currently, New Hope Housing is the single leading provider of Permanent Supportive Housing (PSH) in the state of Texas, and the organization has played a critical role in the City of Houston’s nationally recognized program to end chronic homelessness. We have an appreciation for the goals of the Section 811 program and have evaluated our existing portfolio of developments to determine eligibility.

The existing New Hope Housing/HACDC affiliated developments on TDHCA’s list of approved sites appear to be disqualified from Section 811 Program enrollment due to the percentage of units set aside for disabled individuals through Federal Funding, Project Based Vouchers, and third party service partnerships, which are restricted exclusively to the Chronic Homeless. By HUD’s published definition, Chronic Homeless individuals 1. have a disabling condition and 2. have been continually homeless for a year or more, or having had four episodes of homelessness in the past three years.

Furthermore, City of Houston requires that New Hope set aside at minimum 25% of the units at New Hope Housing Dale Carnegie for PSH, i.e. to individuals who meet the Chronic Homeless definition including a disability. This requirement is a condition of the $10,000,000 funding through the City of Houston, just as it was for NHH at Harrisburg, and is stated in the City’s commitment letter behind Tab 35. Irrespective, we have included here a Section 811 Certification to avoid difficulties in threshold review, contingent upon the TDHCA making a determination of eligibility at an existing project, or the proposed project.

*Documentation evidencing these commitments have been uploaded as a separate attachment due to size constraints*
(b) **Reduction of number of Assisted Units covered by RAC.** The Grantee may reduce the number of Assisted Units covered by the RAC if:

1. The Owner fails to comply with the requirements of paragraph (a) of this section; or
2. Grantee determines that the inability to lease Assisted Units to Eligible Families is not a temporary problem.

(c) **Increase in number of Assisted Units covered by RAC.** The Grantee may increase the number of the Assisted Units covered by the RAC if:

1. The program funding amount with the increased number of assisted units does not exceed the maximum amount of grant funds awarded in Exhibit 4 of the Cooperative Agreement; and
2. The owner complies with § PRA.305.

(d) **Protections for Victims of Domestic Violence, Dating Violence, Sexual Assault, or Stalking.** Subpart L of 24 CFR part 5 shall apply to the Assisted Units in Eligible Multifamily Properties.

§ **PRA.304 Supportive Services.**
Eligible Tenant’s participation in supportive services is voluntary and cannot be required as a condition of admission or occupancy.

§ **PRA.305 Limitations on Assisted Units.**
(a) Eligible Multifamily Properties may only receive Rental Assistance Payments if the housing assisted does not currently have an existing use restriction for persons with disabilities. Units receiving any form of federal or state project-based rental assistance for a period of 6 months or longer are ineligible to receive Rental Assistance Payments, unless such payments are being used to support other units in the building without such restrictions. Existing units receiving any form of long-term operating housing subsidy within a six-month period prior to receiving Rental Assistance Payments, such as assistance under Section 8, are ineligible to receive this assistance.

(b) Units with use agreements requiring housing for persons 62 or older are not eligible to receive Project Rental Assistance Payments.

(c) **No more than twenty five percent of the total units in Eligible Multifamily Properties can:** (1) be provided Rental Assistance Payments; (2) be restricted to supportive housing for persons with disabilities; or (3) have any occupancy preference for Persons with Disabilities.

(d) These units must be dispersed throughout the property and must not be segregated to one area of a building (such as on a particular floor or part of a floor in a building or in certain sections within a project). Owners will designate the number of units to be set-aside as Assisted Units but the types (e.g., accessible) and the specific units numbers (e.g., units 101, 201, etc.) will be flexible depending on the needs of the program and the availability of the units in the property.

§ **PRA.306 Grantee Program Administration.**
The Grantee is responsible for the overall management of the award and administration of the Section 811 PRA Demo funds awarded by HUD. Grantees may contract with third party entities to manage all or a portion of the rent administration requirements as outlined in Section XIV to a Grantee with the approval from HUD. Grantee however remains responsible and liable for enforcing all provisions of the RAC and the Cooperative Agreement.
Emily Abeln

From: Spencer Duran <spencer.duran@tdhca.state.tx.us>
Sent: Tuesday, February 27, 2018 2:10 PM
To: Emily Abeln
Subject: Section 811 PRA Program Questions

Emily,

Thank you for your call today.

I found a better reference to HUD’s Integrated Housing Rule (rather than just the footnote we discussed):

- If an existing or proposed development is not subject to the TDHCA Integrated Housing Rule, it is subject to HUD’s program rule, Program Guidelines, § PRA.305:
  - “No more than twenty five percent of the total units in Eligible Multifamily Properties can: (1) be provided Rental Assistance Payments; (2) be restricted to supportive housing for persons with disabilities; or (3) have any occupancy preference for Persons with Disabilities.”
  - This commitment to community integration for people with disabilities is carried into the Owner Participation Agreement in Section 5.1 C. and the 811 PRA Certification on Page 6.

To summarize some of the items we discussed if you elect to seek points under Tenant Populations with Special Housing Needs (10 TAC §11.9(c)(6)):

- Multifamily Program Applicants are first asked to review the List of Eligible Existing Developments for Participation in the Section 811 PRA Program
  - These properties have been conditionally approved to participate, but as we discussed:
    - Inclusion on the list does not necessarily mean that a property is formally approved for 811 participation (e.g., environmental considerations, exceeding the integrated housing caps, etc.).
    - If there are properties on the list that have an attribute that would preclude 811 participation (such as existing use restrictions that exceed the TDHCA or 811 Integration Rule or it has a HAP contract for 100% of the units) and would not leave “room” for Section 811 PRA Program units, then please provide evidence in your Application as directed on Tab 19.

- If you cannot obtain points under 10 TAC §11.9(c)(6)(a), then we ask you to consider your proposed development that is applying for credits to participate in 811.
- If you elect points for 10 TAC §11.9(c)(6)(b), you will sign the Owner Participation Agreement for the proposed development applying for the Credits. That Agreement will be signed and returned to the Department along with the Commitment Notice after award. That Agreement states, in part:
  - “From the date this Agreement is entered into (see the first paragraph of this Agreement), the Owner shall not enter into any future use agreements or other subsidy programs that would diminish the number of Assisted Units that can be placed on the Eligible Multifamily Property.”

- If your proposed development is ineligible for 811 participation, indicate that on Tab 19 by checking the appropriate box and provide an explanation and documentation (you would now be seeking points under 10 TAC §11.9(c)(6)(c)).
  - Based on our phone call, it sounds like you will need to provide evidence of your position and select either:
    - Development only has units available that are restricted for persons with disabilities.
    - A Development having a preference for Persons with Disabilities or a use restriction for Special Needs Populations is not a disqualifying factor for purposes of this scoring item OR
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      A Development having a preference for Persons with Disabilities or a use restriction for Special Needs Populations is not a disqualifying factor for purposes of this scoring item OR
    - Other disqualifying factor
Also, just as an FYI, here are the list of Section 811 Referral Agents for the Houston MSA:

- Amerigroup
- Bay Area Turning Point
- Care Connection ADRC
- DFPS Child Protective Services
- Harmony House
- Houston Center for Independent Living
- Molina Healthcare
- Salvation Army Social Services
- Shay’s House
- Star of Hope Mission
- Texana Behavioral
- The Center Houston
- The Harris Center (MHMR Harris)
- United Healthcare

Thank you,

Spencer Duran
Section 811 Manager
Texas Department of Housing and Community Affairs
211 E. 11th Street | Austin, TX 78701
Office: 512-475-1784
Fax: 512-475-0070

About TDHCA
The Texas Department of Housing and Community Affairs is committed to expanding fair housing choice and opportunities for Texans through the administration and funding of affordable housing and homeownership opportunities, weatherization, and community-based services with the help of for-profits, nonprofits, and local governments. For more information about fair housing, funding opportunities, or services in your area, please visit www.tdhca.state.tx.us or the Learn about Fair Housing in Texas page.
New Hope Housing
RESIDENT REFERRAL SOURCES

Partners -
Avenue 360 (HACS), Brigid’s Hope, Change Happens, Harris County Social Services, Harmony House, Salvation Army, SEARCH, and Star of Hope
Additional supporting partners - Coordinated Access, Houston Housing Authority, and Healthcare For the Homeless

53% of units Committed

Individuals -
Self Pay
Assisted by friends/family
Project/Tenant Based Voucher

47% of units
New Hope Housing
RESIDENT SERVICE SUPPORTS

Collaborative Resident Service Staff Onsite

- 6 NHHI Service Coordinators
- 3 NHHI Case Managers
- 25 Case Managers
- 4 Counselors & Benefits Specialists
- 4 Community Health Workers
- 3 Nurses
- 1 Housing Navigator
- 1 Recreation Specialist

UH Campus Kitchen and Second Serving

- 1,857 Residents Served
- 20,000 Pounds Of Healthy Meals Provided to Residents

Robust Onsite Supportive Service Delivery by NHH Staff & Partners

Food Insecurities Addressed
Section 811 Project Rental Assistance Program “PRA” Certification

On behalf of the Applicant and all affiliates of the Applicant ("Applicant"), I (We) hereby certify that the Applicant is familiar with the provisions of HUD's Section 811 Project Rental Assistance ("PRA") program, enacted by Section 811 of the Cranston Gonzalez National Affordable Housing Act (Pub L. 111-374) and the Frank Melville Supportive Housing Investment Act of 2010, the Texas Department of Housing and Community Affairs ("TDHCA") Rules as published in Title 10 of the Texas Administrative Code, HUD Handbook 4350.3 REV-1 (Occupancy Requirements of Multifamily Housing Programs), and the Section 811 Project Rental Assistance Program Cooperative Agreement, including the Rental Assistance Contract ("RAC") and the Use Agreement. I (We) hereby certify that the Applicant will comply with future guidance regarding the Section 811 PRA Program provided by HUD and/or TDHCA, including Rules, FAQs, and program manuals.

I (We) hereby certify that Applicant will execute a Section 811 PRA Owner Participation Agreement, in a form to be provided by TDHCA, a TDHCA approved Existing Development, or if allowed by TDHCA, for an awarded Development included in this Application. Once an Owner Participation Agreement has been executed, I (We) hereby certify that I (We) understand that TDHCA will market the property under the Owner Participation Agreement to potential Section 811 PRA tenants at any time during the term of the Owner Participation Agreement, and I (We) hereby certify that I (We) will furnish to TDHCA, any requested materials, including pictures, to do such marketing. If requested by TDHCA, I (We) hereby certify that I (We) will execute a RAC and record the required Use Agreement in the county deed records.

I (We) hereby certify that I (We) will comply with all HUD regulations, court rulings, related administrative rules, and eligibility guidelines and restrictions during the application process and in the event of award, for the duration of the Section 811 Owner Participation Agreement or the Use Agreement, whichever has a longer term.

I (We) hereby make application to the TDHCA to participate in the Section 811 PRA Program. The undersigned hereby acknowledges that an award by the TDHCA does not warrant that the Existing Property or the Development is deemed qualified to participate in the Section 811 PRA Program. I (We) agree that the TDHCA or any of its directors, officers, employees, and agents will not be held responsible or liable for any representations made to the undersigned or its investors relating to the Section 811 PRA Program; therefore, I (We) assume the risk of all damages, losses, costs, expenses, and liabilities of any nature directly or indirectly, related thereto and agree to indemnify and save harmless the TDHCA and any of its officers, employees, and agents against any and all claims, suits, losses, damages, costs, and expenses of any kind and of any nature that the TDHCA may hereinafter suffer, incur, or pay arising out of or relating to the TDHCA’s acceptance, consideration, approval or disapproval of this request and the issuance or non-issuance of a RAC or 811 PRA funds herewith.

I (We) hereby acknowledge that this Application is subject to disclosure under Chapter 552, Texas Government Code, the Texas Public Information Act, unless a valid exception exists.

I (We) acknowledge all representations, undertakings, and commitments made by Applicant in the application process for a Development, whether with respect to eligibility criteria, selection criteria or otherwise, shall be deemed to be a condition to any Commitment or Contract for such
Development, the violation of which shall be cause for cancellation of such Commitment or Contract by the TDHCA and if concerning the ongoing features or operation of the Development, shall be enforceable by the TDHCA and the tenants of the Development, including enforcement by administrative penalties for failure to perform, in accordance with the LURA. The obligation to sign an Owner Participation Agreement is binding. I (We) must sign an Owner Participation Agreement if the Development receives an award and is requested to do so by the Department.

I (We) agree the TDHCA may, at its discretion, request additional information and/or documentation in its evaluation of this Application to garner required information relating to the qualification of the Development for the 811 Program. I (We) hereby assert that the information contained in this Application as required or deemed necessary by the materials governing the 811 PRA program are true and correct and that I (We) have undergone sufficient investigation to affirm the validity of the statements made.

Further, I (We) hereby assert that I (We) have read and understand all the information contained in the Application. By signing this document, I (We) affirm that all statements made in this government document are true and correct under penalty of Chapter 37 of the Texas Penal Code titled Perjury and Other Falsification and subject to criminal penalties as defined by the State of Texas. TEX. PENAL CODE ANN. §37.01 et seq. (Vernon 2011).

I (We) understand and agree that if false information is provided in this Application which has the effect of increasing the Applicant’s competitive advantage, the TDHCA will disqualify the Applicant and may hold the Applicant ineligible to apply for 811 PRA funds or seek other additional administrative penalties.

If, at any time, including after the signing a Section 811 PRA Program Owner Participation Agreement, it is discovered that I (We) provided false or misleading information to TDHCA, TDHCA may terminate the Applicant’s HUD RAC and/or the Section 811 PRA Program Owner Participation Agreement and recapture all Section 811 PRA funds expended.

I (We) hereby certify that I (We) will comply with applicable fair housing and civil rights requirements in 24 CFR §5.105(a), including, but not limited to, the Fair Housing Act; Title VI of the Civil Rights Act of 1964; Section 504 of the Rehabilitation Act of 1973; and Title II of the Americans with Disabilities Act. Further, I (We) certify that I (We) shall not, in the provision of services, or in any other manner, discriminate against any person on the basis of race, color, religion, sex, national origin, familial status, or disability. I (We) certify that I (We) will comply with HUD’s Equal Access to Housing in HUD Programs Regardless of Sexual Orientation or Gender Identity requirements. See 24 C.F.R. §§ 5.100, 5.105(a)(2), 5.403. I (We) hereby certify that I (We) understand that the Development must prominently display HUD’s Fair Housing Poster (HUD Form 928.1) in all offices in which rental activity takes place. This includes property management leasing offices located at their projects with Section 811 PRA units, and may include a designated place where information or other business regarding the Section 811 PRA program is conducted with potential tenants. I (We) will comply with any requirements of the Section 811 PRA Program that require changes to the Development’s tenant selection plans, house rules, marketing materials, or application.

I (We) have written below the name of the individual authorized to execute the TDHCA Owner Participation Agreement, the HUD RAC, the HUD Use Agreement, and any and all future commitments and contracts related to this Application. I (We) hereby certify that this individual has
the full authority and has been authorized by all of the Parties, Affiliates, or Associates with interest in the Development in this Application. If this individual is replaced by the organization, I (We) must inform the TDHCA within 30 days of the person authorized to execute agreements, commitments and/or contracts on behalf of the Applicant.

I (We) certify that I (We) do not and will not knowingly employ an undocumented worker, where “undocumented worker” means an individual who, at the time of employment, is not lawfully admitted for permanent residence to the United States or authorized under law to be employed in that manner in the United States.

If, after receiving a public subsidy (including Section 811 PRA Program funds), I (We) are convicted of a violation under 8 U.S.C Section 1324a(f), I (We) shall repay the amount of the public subsidy with interest, at the rate and according to the other terms provided by an agreement under Tex. Government Code §2264.053, not later than the 120th day after the date TDHCA notifies the Applicant of the violation.

I (We) certify that I (We) am eligible to apply for funds or any other assistance from the TDHCA. I (We) certify that all audits are current at the time of application. I (We) certify that any Audit Certification Forms have been submitted to the TDHCA in a satisfactory format on or before the Application deadline for funds or other assistance pursuant to 10 TAC §1.3(b).

**Property Condition Standards Certification**

I (We) certify that I (We) will meet local and state housing code, ordinances, and zoning requirements, Texas Minimum Construction Standards, Uniform Physical Construction Standards and Inspection Requirements under 24 CFR Section 5 Subpart G, including any changes in the regulation and related directives and will comply with HUD’s Physical Condition Standards of Multifamily Properties of 24 CFR Part 200, Subpart P, including any changes in the regulation and related directives.

I (We) certify that a TDHCA approved Existing Development, or if allowed by TDHCA in writing, the Development referenced in this Application is in compliance and that during the term of the Section 811 Participation Agreement and/or RAC the Applicant will respond to all requests for deficiency resolution within the timeframes mandated by the Uniform Multifamily Rules at 10 TAC Chapter 10 or other requirements associated with the satisfactory provision of a unit as required by the 811 PRA program.

**Federal Cross-Cutting Certifications**

**Lead Based Paint**

I (We) certify that documentation of compliance with 24 CFR Part 35 (Lead Safe Housing Rule), including but not limited to the documentation reflected in the following clauses, will be maintained in project files. I (We) understand that standard forms are available in the Federal Register, as indicated by the sources noted below.

Applicability Form 24 CFR §35.115 – A copy of a statement indicating that the property is covered by or exempt from the Lead Safe Housing Rule.
a. If the property is exempt, the file should include the reason for the exemption and no further documentation is required.

b. If the property is subject to the Rule, the file should include the appropriate documentation to indicate basic compliance, as listed below:

   i. Summary Paint Testing Report or Presumption Notice 24 CFR §35.930(a) – A copy of any report to indicate the presence of lead-based paint (LBP) for projects receiving up to $5,000 per unit in rehabilitation assistance. If no testing was performed, then LBP is presumed to be on all disturbed surfaces;

   ii. Notice of Evaluation 24 CFR §35.125(a) – A copy of a notice demonstrating that an evaluation summary was provided to residents following a lead-based paint inspection, risk assessment or paint testing;

   iii. Clearance Report 24 CFR §35.930(b)(3) – A report indicating a “clearance examination” was performed of the work-site upon completion; and

   iv. Notice of Hazard Reduction Completion 24 CFR §35.125(b) – Upon completion, a copy of a notice to show that a LBP remediation summary was provided to residents.

**Environmental**

I (We) understand that the environmental effects of each activity carried out with funds provided under this Application must be assessed in accordance with the provisions of the Section 811 PRA Cooperative Agreement, § PRA.215 and § PRA.216. Each activity must have an environmental review completed and support documentation prepared complying with HUD regulations. No Section 811 Owner Participation Agreement may be signed and no Section 811 PRA funds can be provided for a unit before the completion of the environmental review process and the provision of written clearance by TDHCA.

I (We) certify that I (We) have read and understand the requirements of the HUD Section 811 PRA Cooperative Agreement, § PRA.215 and § PRA.216.

**Displacement of Existing Tenants**

I (We) certify that the work to be performed in connection with the award of Section 811 PRA funds is subject to Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (“URA”), as amended, and regulations at 49 CFR Part 24. Hence, I(We) commit to minimize the direct and indirect displacement of persons from their homes and assure full compliance with URA federal relocation assistance mandates including adherence to TDHCA established procedure relocation requirements.

**Davis Bacon**

I (We) certify that if Davis Bacon is applicable to this award, I (We) will fully comply with contract Federal labor law mandates and TDHCA established labor standards procedural requirements.
**Energy and Water Conservation**

I (We) certify to comply with Energy and Water Conservation standards and requirements as outlined in § PRA.214.

**Procurement of Recovered Materials**

I (We) certify to comply with the Procurement of Recovered Materials requirements as outlined in § PRA.219.

**Housing Standards for Assisted Units**

I (We) certify to comply with Housing Standards for Assisted Units as outlined in § PRA.307 for Section 811 PRA units and as outlined in 10 TAC Chapter 1 Subchapter B and Chapter 10 “Uniform Multifamily Rules.”

**Eligibility and Threshold Certification**

On behalf of the Applicant and all affiliates of the Applicant, I (We) hereby certify that the Applicant is familiar with the provisions and requirements of the Section 811 PRA Program for which I (We) am applying.

I (We) understand that housing units occupied by eligible tenants participating in the program must be affordable to Extremely Low-Income persons. I (We) understand that mixed income rental Developments may only apply PRA to units that meet 811 program affordability standards. I (We) understand that all Applications must adhere to the TDHCA’s Integrated Housing Rule at 10 TAC §1.15 and Exhibit 5 of the Section 811 PRA Cooperative Agreement § PRA.305. Additionally, I (We) certify that the units identified for 811 PRA assistance will be dispersed throughout the property and must not be segregated to one area of a building or Development.

I (We) certify to follow the requirements of § PRA.403 regarding the Selection and Admission of Eligible Tenants. In addition, I (We) understand that prior to receiving referrals for Section 811 tenants, I (We) must submit and receive approval by the TDHCA for the Development’s Tenant Selection Plan. I (We) understand that the Applicant or their designated property management staff will accept referrals of Section 811 applicants from the TDHCA and determine eligibility based on the TDHCA-approved Tenant Selection Plan. I (We) understand that upon the request of TDHCA or HUD, the Applicant must furnish copies of all applications to HUD and/or TDHCA.

I (We) understand that the Applicant or their designated property management staff will be responsible for:

1. obtaining and verifying information related to Social Security Numbers of Eligible Family members in accordance with 24 CFR Part 5, subpart B. Applicant or their designated property management staff shall refer to HUD Handbook 4350.3 REV-1, Chapters 3-3, B. and C., 3-9, and 3-11, and 3-31 for further guidance;

2. obtaining and verifying income through the use of Enterprise Income Verification (EIV), pursuant to 24 C.F.R. 5.233(a)(2). Applicant or their designated property management staff shall refer to HUD Handbook 4350.3 REV-1, Chapter 3-30 for further guidance;
(3) obtaining and verifying information related to income eligibility of Eligible Families in Assisted Units in accordance with 24 CFR Part 5, subpart F. Applicant or their designated property management staff shall refer to HUD Handbook 4350.3 REV-1, Chapter 3-30 for further guidance;

(4) preventing crime in the Assisted Units, including the denial of admission to persons engaged in criminal activity or has certain criminal histories, in accordance with 24 CFR Part 5, Subpart H. Applicant or its designated property management staff shall refer to HUD Handbook 4350.3 REV-1, Chapter 4-27, E. for further guidance.

(5) complying with protections for victims of domestic violence, dating violence, sexual assault, or stalking, pursuant to 24 CFR Part 5, Subpart L; and

(6) complying with all other applicable requirements, including but not limited to the RAC, Project Rental Assistance Program Guidelines, and any other HUD administrative requirements.

I (We) understand that the Section 811 tenants participation in supportive services is voluntary and cannot be required as a condition of admission or occupancy.

I (We) understand that if the Applicant or their designated property management staff determines that an applicant is ineligible on the basis of income or Household composition, or because of failure to meet the disclosure and verification requirements for Social Security Numbers (as provided by 24 CFR Part 5), or because of failure by an Section 811 applicant to sign and submit consent forms for the obtaining of wage and claim information from State Wage Information Collection Agencies, or that the Applicant or their designated property management staff is not selecting the Section 811 applicant for other reasons, the Applicant or their designated property management staff will promptly notify the Section 811 applicant in writing of the determination and its reasons, and that the applicant has the right to meet with the Applicant or their designated property management staff and has the right to request a reasonable accommodation. I (We) understand that the Section 811 applicant may also exercise other rights if the applicant believes that he or she is being discriminated against on the basis of race, color, national origin, religion, sex, disability or familial status. I (We) understand that records on Section 811 applicants and Section 811 tenants, which provide racial, ethnic, gender and place of previous residency data required by HUD, must be maintained and retained for three (3) years. I (We) shall refer to HUD Handbook 4350.3 REV-1, Chapter 4-9 for further guidance on rejecting Section 811 applicants and denial of rental assistance.

I (We) certify that no Section 811 PRA Program funds will be attached to units receiving any other form of federal or state housing operating assistance or units that have received any form of long-term operating housing subsidy within a six-month period prior to receiving PRA funds. I (We) additionally certify that 811 PRA subsidy funds will not be attached to any unit that is currently a 30% AMI rent and income restricted unit or any unit that is currently operating with an existing use restriction or contractual obligation to serve persons with disabilities or persons 62 and older.
I (We) understand that funding through the full, initial 20 year term of a RAC contract to provide 811 PRA assistance will be conditional based upon available appropriations during each 5 year renewal cycle and may be moved or dissolved by TDHCA at anytime. Additionally, I (We) understand that the total number of assisted units, and their number of bedrooms maybe adjusted at anytime by TDHCA for a maximum number of units committed in the Section 811 PRA Owner Participation Agreement.

Management Practices Certification

I (We) certify that the Applicant or their designated property management staff will immediately notify TDHCA of Section 811 PRA unit vacancies if requested by TDHCA. I (We) certify that, once a RAC is executed, that the available unit will be held vacant for an 811 PRA tenant referred by TDHCA, if a tenant has been referred to the property by TDHCA, for up to 60 days before the unit will be re-rented to a non-811 PRA applicant.

I (We) certify that the Applicant or their designated property management staff will comply with any current or future requirement for marketing or outreach of the units and I (We) certify that I (we) will follow all HUD Fair Housing and Equal Opportunity requirements.

I (We) certify that I (we) will furnish all required documentation, reports, and forms as necessary to assist TDHCA in entering necessary eligibility and income information in HUD systems as required; information requested for reporting on performance measures to HUD will be furnished within the timelines as specified by TDHCA.

I (We) certify that we understand that all Applicants who are States, Territories, Urban Counties, and Metropolitan cities shall be subject to the requirements of 24 CFR Part 85, and further that all Applicants who are Nonprofits shall be subject to the requirements of 24 CFR Part 84.

I (We) certify that the initial lease between the Development and any 811 PRA assisted tenant will be a minimum of one year; I (we) further certify that the HUD model lease form HUD-92236-PRA will be used as required by the Cooperative Agreement, Section XII. GRANTEE PROGRAM ADMINISTRATION.

In addition, I (We) certify that we understand that all lease addendums must be sent to TDHCA. TDHCA will consider lease addendums on a case by case basis and may decide to send to HUD for approval. Owners may only modify the lease terms with a tenant at the end of the initial term or a successive term by serving an appropriate notice to the tenant, together with the provision of a revised TDHCA approved agreement or addendum.

I (We) certify to follow requirements of § PRA.406. I (We) understand that prior to occupancy of a Section 811 unit, that an Eligible Section 811 Household must be given the opportunity to be present for the move-in unit inspection. I (we) understand that the inspection of the Section 811 Unit will be completed by both the Applicant or the designated Property Management staff and the Eligible Section 811 Household and both shall certify, on a form prescribed or approved by TDHCA that they have inspected the Section 811 Unit and have determined it to be Decent, Safe, and Sanitary condition in accordance with the criteria provided in the form. The Applicant or the designated Property Management staff shall keep a copy of this inspection and make part of the lease as an attachment to the lease. If the Eligible Section 811 Household waives the right to this
inspection, a form prescribed or approved by the TDHCA would be signed by the Eligible Household indicating they have waived this right.

In addition, I (We) certify that the Applicant or the designated Property Management staff shall perform unit inspections of the Section 811 Units on at least an annual basis to determine whether the appliances and equipment in the unit are functioning properly and to assess whether a component needs to be repaired or replaced. This will ensure that the Applicant is meeting its obligation to maintain the Assisted Units in Decent, Safe, and Sanitary condition.

In addition, I (We) understand that the TDHCA and/or HUD may ask, and must be permitted, to review the records related to the RAC at least annually to determine compliance. I (We) understand that HUD may independently inspect project operations and Section 811 Units at any time with reasonable notice prior to inspection; and Equal Opportunity reviews may be conducted by HUD at any time.

I (We) certify that the Applicant or the designated Property Management staff shall comply with the Overcrowded and Under Occupied Unit requirements set by TDHCA in the Participant Selection Plan TDHCA maintains for HUD (and which is available on the TDHCA website) and will ensure that Section 811 tenants are not over or under housed according to those requirements.

I (We) certify that the Applicant or the designated Property Management staff shall comply and participate with any dispute resolution processes as required by TDHCA.

I (We) certify, as referenced in § PRA.409, that the Applicant shall not impede the reasonable efforts of tenants of the Assisted Units to organize pursuant to 24 CFR Part 245, or any successor regulations of 24 CFR Part 245, or unreasonably withhold the use of any community room or other available space appropriate for meetings which is part of the mortgaged property when requested by: (i) a resident tenant organization in connection with the representational purposes of the organization; or (ii) tenants seeking to organize or to consider collectively any matter pertaining to the operation of the mortgaged property.

I (We) certify that the Development site referenced in this Application will take reasonable steps to ensure meaningful access to its programs and activities to Limited English Proficiency tenants. Additionally, I (We) certify that all communications provided to Eligible Applicants and Eligible Households at the Development referenced in this Application are provided in a manner that is effective for persons with hearing, visual, and other communications-related disabilities consistent with Section 504 of the Rehabilitation Act of 1973 and, as applicable, the Americans with Disabilities Act.

I (We) certify that Development staff will assist 811 PRA tenants with annual re-certification of income and program requirements as required by HUD; property staff are familiar with HUD income verification requirements and tenant re-certification policies as published in the HUD Handbook 4350.3 REV-1.

I (We) certify that Development staff has the capacity and agrees to participate in the Tenant Rental Assistance Certification System for Section 811 PRA tenants. I (We) certify that if TDHCA procures a third party for one or more duties of the 811 PRA program, the Development will respond and comply with that third party in all ways as required of their obligations to TDHCA.
I (We) certify that the Development will obtain and maintain any information technology systems required of the PRA Program will be utilized at the Development at no expense to the TDHCA.

I (We) certify that any updated screening, eligibility, lease addenda or fee criteria established for tenants of the identified Development in this Application will be provided to TDHCA 30 days prior to property implementation; additionally, upon request TDHCA will receive copies of tenant re-certifications completed by property staff.

I (We) certify that TDHCA will receive upon request any notices advising of property or resident rental increases.

I (We) certify that a copy of the Development’s property management plan, tenant selection criteria (or plan) and Affirmative Fair Housing Marketing plan will be provided to and discussed with onsite Development staff.

By: __________________________
    Signature of Authorized Representative

Joy Horak-Brown
Printed Name

President & CEO, New Hope Housing, Inc. & HACDC
Title

2/23/2018
Date

This Certification is provided for use in the event the TDHCA determines that an existing development, or the proposed development New Hope Housing Dale Carnegie, is eligible to participate in the program.

The State of Texas §

COUNTY OF Harris §

Before me, a notary public, on this day personally appeared Joy Horak-Brown, known to me to be the person whose name is subscribed to the foregoing document and, being by me first duly sworn, declared and certified that the statements therein contained are true and correct. GIVEN UNDER MY HAND AND SEAL OF OFFICE this 23rd day of February, 2018

(Seal)

Notary Public Signature
1. **At-Risk Set-Aside (Competitive HTC Applications Only) [§11.5(3)]**

   Qualification: Must meet the requirements of an At-Risk Development in §11.5(3) of the Qualified Allocation Plan. Documentation must be submitted behind this tab showing that the Development meets the requirements of Texas Government Code §2306.6702(a)(5) and §11.5(3) of the 2017 Qualified Allocation Plan.

   **PART A:** DOCUMENTATION MUST SHOW THAT THE SUBSIDY OR BENEFIT IS FROM ONE OF THE FOLLOWING APPROVED PROGRAMS (mark all that apply):

   - Sections 221(d)(3) and (5), National Housing Act (12 U.S.C. Section 1715l)
   - Section 236, National Housing Act (12 U.S.C. Section 1715z-1)
   - Section 202, Housing Act of 1959 (12 U.S.C. Section 1701q)
   - Section 101, Housing and Urban Development Act of 1965 (12 U.S.C. Section 1701s)
   - The Section 8 Additional Assistance Program for housing developments with HUD-Insured and HUD-Held Mortgages administered by the U.S. Department of Housing and Urban Development as specified in 24 CFR Part 886, Subpart A.
   - The Section 8 Housing Assistance Program for the Disposition of HUD-Owned Projects administered by the U.S. Department of Housing and Urban Development as specified by 24 CFR Part 886, Subpart C.
   - Sections 514, 515, and 516, Housing Act of 1949 (42 U.S.C. Sections 1484, 1485 and 1486)
   - Section 42, of the Internal Revenue Code of 1986 (26 U.S.C. Section 42)

   IN ADDITION, THE SUBSIDY OR BENEFIT IS SUBJECT TO THE FOLLOWING CONDITIONS (mark all that apply):

   - The stipulation to maintain affordability in the contract granting the subsidy is nearing expiration (i.e. expiration will occur within two (2) calendar years of July 31, 2018). See §11.5(3)(E) and (F) of the 2018 QAP concerning At-Risk developments qualifying under Section 42 of the Internal Revenue Code.

   - The subsidy marked above is a HUD-insured or HUD-held mortgage nearing the end of its mortgage term (the term will end within two (2) calendar years of July 31, 2018), **AND** the mortgage is eligible for prepayment or has been prepaid.
The New Construction, Rehabilitation (including Adaptive Reuse), or demolition and Reconstruction of the proposed Development must be carried out in accordance with policies and procedures governing implementation of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 ("URA"), as amended, for the Section 811 PRA program under (49 CFR Part 24); and for Direct Loans under the Section 104(d) of the Housing and Community Development Act of 1974 ("Section 104(d)"); and the optional relocation policies adopted pursuant to 24 CFR 92.253(d).

A displaced person, business, farm, or nonprofit is covered under URA, regardless of income, if they are displaced by acquisition, rehabilitation, or demolition.

Relocation Certification for Section 811 PRA and Direct Loan Applications

The New Construction, Rehabilitation (including Adaptive Reuse), or demolition and Reconstruction of the proposed Development must be carried out in accordance with policies and procedures governing implementation of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 ("URA"), as amended, for the Section 811 PRA program under (49 CFR Part 24); and for Direct Loans under the Section 104(d) of the Housing and Community Development Act of 1974 ("Section 104(d)"); and the optional relocation policies adopted pursuant to 24 CFR 92.253(d).

A displaced person, business, farm, or nonprofit is covered under URA, regardless of income, if they are displaced by acquisition, rehabilitation, or demolition.

Occupied Developments

Pursuant to §10.204(8)(G) of the Uniform Multifamily Rules, for any Application where any structure on the Development Site is occupied at any time after the beginning of the Application Acceptance Period, even if demolition is proposed, the following items must be provided.

- Historical monthly operating statements of the Development for twelve (12) consecutive months ending no more than three (3) months from the first day of the Application Acceptance Period; or
- The two (2) most recent consecutive annual operating statement summaries; or
- The most recent consecutive six (6) months of operating statements and the most recent available annual operating summary; or
- All monthly or annual operating summaries available.

AND

- A rent roll not more than six (6) months old as of the first day of 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, and tenant names or vacancy; and
- A written explanation of the process used to notify and consult with the tenants in preparing the Application; ($2306.6705(6)); and
- If applicable, evidence that the relocation plan has been submitted to the appropriate legal or governmental agency. ($2306.6705(6)); and
- A relocation plan outlining relocation requirements and a budget with an identified funding source that clearly describes relocation process, actions, and costs to the displaced and those not ($2306.6705(6)).

Uniform Relocation Act (URA) Applicability for Section 811 PRA and Direct Loan Applications

- Participation in the Section 811 PRA program is by way of the occupied Rehabilitation (including reconstruction or Adaptive Reuse) Development proposed in the Application.
- Participation in the Section 811 PRA program is by way of the New Construction Development proposed in the Application, and includes the demolition of an occupied structure (e.g. single family house or mobile home).
- Application includes a request for Direct Loan funding (except for Supportive Housing and Soft Repayment TCAP-RF only).

(if none of the three boxes above is checked, you may skip the remainder of this section)

Each of the following items, as applicable, is provided behind this tab:

- Identification of any business, nonprofit organization, or farm on the site (that is not owned or controlled by the Seller);
- Dated General Information Notice(s) given to current occupants (other than owner occupied structures) including verification of tenant receipt;
- Dated Voluntary Acquisition Notification to Owner; and
- HUD Relocation Brochure issued to tenants that will be displaced (if known).

Signature of Applicant

Printed Name

NOT APPLICABLE
Relocation Certification for Direct Loan Applications

For Direct Loan Applications (except for Supportive Housing and Soft Repayment Funds, which do not have to complete the rest of this section): A displaced person is covered under Section 104(d) if they are a low-income person displaced by demolition (including acquisition involving demolition) OR conversion (if market rent of the dwelling did not exceed the fair market rent before conversion).

Check all that apply:

☐ The activity involves demolition of existing occupied structures.
☐ The activity involves conversion of occupied rental property occupied by any tenant.

Applicants for Direct Loan funds that plan to rehabilitate, demolish and/or reconstruct occupied housing units must comply with the Section 104(d). By signing below, the Applicant certifies that they will comply with the Residential Anti-Displacement and Relocation Assistance Plan (RARAP) approved by the Department on June 1, 2012.

The RARAP, as approved follows the Housing and Community Development Act of 1974, and HUD regulations at 24 CFR §42.325. The Department, through its subgrantees, will offer relocation assistance for lower-income tenants who, in connection with an activity assisted under a Direct Loan move permanently or move personal property from real property as a direct result of the demolition of any dwelling unit or the conversion of a lower-income dwelling unit in accordance with the requirements of 24 CFR §42 350

The purpose and goals of the RARAP is to:

(1) Provide (through its subgrantees) Relocation Assistance
(2) Minimize Displacement
(3) Ensure a One-for-One Replacement of Lower-Income Dwelling Units

I (we) certify that I (we) have read and understand the Department's approved Residential Anti-Displacement and Relocation Assistance Plan (RARAP), and I (we) will comply will all parts of the plan as they apply to this Application.

[Signature of Applicant]

[Printed Name]

[Date]

NOT APPLICABLE
Architectural Drawings Must be Submitted Behind this Tab [§10.204(b)(9)]
(If development is scattered site, consult staff.)

- Site Plan which:
  - states the size of the site on its face
  - includes a unit and building type table matrix that is consistent with the Rent Schedule and Building and Unit Configuration forms in labeling the buildings, stating sizes, etc.
  - identifies all residential and common buildings and labels them consistently with the Building/Unit Type Configuration form
  - clearly delineates the flood plain boundary lines or states there is no floodplain
  - identifies all easements, regardless of how they are held
  - indicates placement of detention/retention pond(s) or states there are no detention ponds
  - indicates the location and number of parking spaces, garages and carports
  - indicates the location and number of accessible parking spaces (review application webinar)
  - includes information regarding local parking requirements
  - indicates compliant accessible routes
  - includes a unit and building type table matrix that indicates the distribution of accessible Units
  - n/a describes if applicable how flood mitigation or other required mitigation will be accomplished.

- Residential Building floor plans should include the following, building by building:
  - separate tabulation of the square footage of each of these areas: breezeways, corridors, utility closets, porches and patios, and any other square footage not included in NRA
  - location of accessible units

- Common Building floor plans should include the following, building by building:
  - tabulation of the square footage of conditioned (heated and cooled) spaces that are accessible to tenants, e.g., offices for tenant/management contact, clubrooms, kitchens, exercise rooms, laundries, etc. (state each area separately).
  - tabulation of the square footage of conditioned areas that are restricted to employees, only, e.g., administrative offices, maintenance areas, etc. (state each area separately).
  - tabulation of the square footage of unconditioned areas that are accessible to tenants, e.g., porches, patios, mailbox areas, etc. (state each area separately)
  - tabulation of the square footage of unconditioned areas that are restricted to employees, only, e.g., maintenance areas, equipment rooms, storage, etc. (state each area separately)

For Supportive Housing only, specification of space to be used for 50 sq ft/unit common space

- Unit floor plans for each type of Unit
  - 5% of each Unit type are accessible to tenants with a mobility impairment, and 2% are accessible to tenants with a vision or hearing impairment
  - All Units accessed by the ground floor or by elevator comply with the visitability requirements of 10.101(b)(8)(B)(iii)

- Elevations for each side of each building type and must include:
  - a percentage estimate of the exterior composition of each elevation
  - roof pitch
  - n/a Photos of building elevations (Rehab and Adaptive Reuse not altering the unit configuration)
REGENCY SQUARE @ DALE CARNEGIE

NEW HOPE HOUSING DALE CARNEGIE
**DESIGN ASSUMPTIONS**

- 4 STORY RESIDENTIAL BUILDING
- 2 STORY COMMON AREA BUILDING
- 170 SRO SLEEPING UNITS
- SITE ACREAGE = 1.979
- ALL UNITS COMPLY WITH THE FAIR HOUSING VISIBILITY REQUIREMENTS OF 10.101(b)(8)(B)(ii)
- 5% OF THE 170 UNITS WILL BE FULLY ACCESSIBLE FOR MOBILITY IMPAIRED (9 UNITS TOTAL)
- 2% OF THE 170 UNITS WILL BE OUTFITTED WITH VISUALLY AND/OR HEARING IMPAIRED DEVICES (4 UNITS TOTAL)

**PROPERTY DETENTION**

- DETENTION REQUIRED: .05 ACRE FT. PER ACRE = 20,410 C.F.
- DETENTION PROPOSED: 21,000 C.F.
- PROPERTY IS NOT IN THE 100 OR 500 YR. FLOODPLAIN
- MITIGATION: NONE REQUIRED
- DETENTION UNDER DRIVE LANE IN 4'-0" DIA. PIPES
- THERE IS NO DETENTION POND

**PROPOSED BUILDING AREA**

170 UNITS (NET RENTABLE AREA) 49,292 SF
BUILDING SUPPORT / OFFICES / MECHANICAL 8,885 SF
CIRCULATION - (STAIRS, CORRIDORS, ELEVATORS) 24,084 SF
TOTAL BUILDING AREA 89,212 SF

**PARKING**

MEETS CITY OF HOUSTON REQUIREMENT FOR CLASS 2 - SPECIAL RESIDENTIAL
170 UNITS X 0.3 SPACES = 51 SPACES
(1) SPACE PER EMPLOYEE = 6 SPACES
57 TOTAL PARKING SPACES
5 (5) ACCESSIBLE PARKING SPACES, INCLUDING (1) VAN ACCESSIBLE SPACE
NO GARAGES; NO CARPORTS; NO COVERED PARKING

**UNIT DISTRIBUTION AND COUNT BY LEVEL**

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<tr>
<th>FLR 1</th>
<th>FLR 2</th>
<th>FLR 3</th>
<th>FLR 4</th>
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2 MOBILITY IMPAIRED
1 HEARING/VISUALLY IMPAIRED

**UNIT TYPES AND SQUARE FOOTAGE**

<table>
<thead>
<tr>
<th>UNIT TYPES AND SQUARE FOOTAGE</th>
<th>UNIT COUNT BY TYPE</th>
<th>TOTAL SF BY UNIT TYPE</th>
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</thead>
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<tr>
<td>UNIT A - ACCESSIBLE EFFICIENCY 360 SF</td>
<td>UNIT TYPE A 609 05.0%</td>
<td>UNIT TYPE A 3,240 SF</td>
</tr>
<tr>
<td>UNIT B - LARGE EFFICIENCY 360 SF</td>
<td>UNIT TYPE B 602 41.0%</td>
<td>UNIT TYPE B 720 SF</td>
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<td>UNIT C - STANDARD EFFICIENCY 280 SF</td>
<td>UNIT TYPE C 130 76.0%</td>
<td>UNIT TYPE C 36,400 SF</td>
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<td>UNIT D - EXTENDED STND EFFICIENCY 308 SF</td>
<td>UNIT TYPE D 929 58.5%</td>
<td>UNIT TYPE D 6,000 SF</td>
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<td>TOTAL UNITS 170 100%</td>
<td>TOTAL SF 49,292 SF</td>
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</tr>
</tbody>
</table>
SQUARE FOOTAGES - LEVEL ONE

(2) UNIT TYPE A - ACCESSIBLE UNIT
(34) UNIT TYPE C - STANDARD UNIT
(1) UNIT TYPE C - HEARING / VISUALLY IMPAIRED EQUIPPED
COMMON AREAS FOR RESIDENTS
MECHANICAL / BUILDING SUPPORT (RESTRICTED)
CIRCULATION
LEVEL ONE TOTAL

720 SF
9,520 SF
280 SF
3,250 SF
2,601 SF
7,203 SF
23,574 SF

LEVEL ONE TOTAL

NEW HOPE DALE CARNEGIE

LEGEND
CIRCULATION
COMMON AREA
MECHANICAL
PUBLIC SERVICES
STAIRS
UNIT A - ACCESSIBLE
UNIT C - HEARING / VISUAL
UNIT C - STANDARD

NOT FOR REGULATORY APPROVAL, PERMITTING OR CONSTRUCTION

DATE: 12 MAR 2018
JOB #: 1801NH00
SCALE: 1" = 30'-0"
SQUARE FOOTAGES - LEVEL THREE

<table>
<thead>
<tr>
<th>Unit Type</th>
<th>Quantity</th>
<th>Square Feet</th>
</tr>
</thead>
<tbody>
<tr>
<td>A - Accessible</td>
<td>2</td>
<td>720 SF</td>
</tr>
<tr>
<td>B - Large</td>
<td>1</td>
<td>360 SF</td>
</tr>
<tr>
<td>C - Standard</td>
<td>24</td>
<td>6,720 SF</td>
</tr>
<tr>
<td>D - Extended Standard</td>
<td>19</td>
<td>5,852 SF</td>
</tr>
<tr>
<td>Common Areas for Residents</td>
<td>1</td>
<td>560 SF</td>
</tr>
<tr>
<td>Mechanical/Building Support (Restricted)</td>
<td>19</td>
<td>1,917 SF</td>
</tr>
<tr>
<td>Circulation</td>
<td>1</td>
<td>5,627 SF</td>
</tr>
<tr>
<td>Level Three Total</td>
<td>1</td>
<td>21,756 SF</td>
</tr>
</tbody>
</table>

LEGEND

- CIRCULATION
- COMMON AREA
- MECHANICAL
- STAIRS
- UNIT A - ACCESSIBLE
- UNIT B - LARGE
- UNIT C - STANDARD
- UNIT D - EXTENDED

NEW HOPE HOUSING DALE CARNEGIE

3RD FLOOR PLAN

SQUARE FOOTAGES - LEVEL THREE

<table>
<thead>
<tr>
<th>Unit Type</th>
<th>Quantity</th>
<th>Square Feet</th>
</tr>
</thead>
<tbody>
<tr>
<td>A - Accessible</td>
<td>2</td>
<td>720 SF</td>
</tr>
<tr>
<td>B - Large</td>
<td>1</td>
<td>360 SF</td>
</tr>
<tr>
<td>C - Standard</td>
<td>24</td>
<td>6,720 SF</td>
</tr>
<tr>
<td>D - Extended Standard</td>
<td>19</td>
<td>5,852 SF</td>
</tr>
<tr>
<td>Common Areas for Residents</td>
<td>1</td>
<td>560 SF</td>
</tr>
<tr>
<td>Mechanical/Building Support (Restricted)</td>
<td>19</td>
<td>1,917 SF</td>
</tr>
<tr>
<td>Circulation</td>
<td>1</td>
<td>5,627 SF</td>
</tr>
<tr>
<td>Level Three Total</td>
<td>1</td>
<td>21,756 SF</td>
</tr>
</tbody>
</table>
**LEGEND**
- CIRCULATION
- COMMON AREA
- MECHANICAL
- STAIRS
- UNIT A - ACCESSIBLE
- UNIT B - LARGE
- UNIT C - STANDARD
- UNIT D - EXTENDED

**SQUARE FOOTAGES - LEVEL FOUR**

- (2) UNIT TYPE A - ACCESSIBLE UNIT
  - 720 SF
- (1) UNIT TYPE B - LARGE UNIT
  - 380 SF
- (40) UNIT TYPE C - STANDARD UNIT
  - 1,200 SF
- (3) UNIT TYPE D - EXTENDED STANDARD UNIT
  - 924 SF

**COMMON AREAS FOR RESIDENTS**
- MECHANICAL/BUILDING SUPPORT (RESTRICTED)
  - 2,306 SF
- CIRCULATION
  - 5,627 SF

**LEVEL FOUR TOTAL**
- 21,277 SF

---

**NEW HOPE HOUSING DALE CARNEGIE**

---

**GSMA**

---

**NOT FOR REGULATORY APPROVAL, PERMITTING OR CONSTRUCTION**

---

**DATE:** 25 FEB 2018

---

**JOB #:** 1501NHG

---

**SCALE:** 1" = 30'-0"
UNIT AMENITIES:
- ENERGY STAR MICROWAVE & REFRIGERATOR
- ENERGY STAR LIGHTING
- WINDOW COVERINGS PROVIDED
- R-15 INSULATION AT EXTERIOR WALLS
- R-30 AT EXPOSED FLOORS AND ROOF
- RESILIENT VINYL FLOORING
- COVERED ENTRY
- INDIVIDUAL VRF AIR CONDITIONING UNIT W/ CONTROLS
- AUTOMATIC SPRINKLER SYSTEM THROUGHOUT
- HIGH EFFICIENCY TOILETS
- LOW FLOW FAUCETS AND SHOWER HEAD
- BUILT-IN HEADBOARD & NIGHTSTAND
- BUILT-IN RECESSED SHELVES
- WI-FI INTERNET / PHONE ACCESS

NEW HOPE HOUSING DALE CARNEGIE

UNIT A
ACCESSIBLE
360 S.F.

DATE: 26 FEB 2018
JOB #: 1801NHG
SCALE: 1/4" = 1'-0"
UNIT AMENITIES:

- ENERGY STAR MICROWAVE & REFRIGERATOR
- ENERGY STAR LIGHTING
- WINDOW COVERINGS PROVIDED
- R-15 INSULATION AT EXTERIOR WALLS
- R-30 AT EXPOSED FLOORS AND ROOF
- RESILIENT VINYL FLOORING
- COVERED ENTRY
- INDIVIDUAL VRF AIR CONDITIONING UNIT W/ CONTROLS
- AUTOMATIC SPRINKLER SYSTEM THROUGHOUT
- HIGH EFFICIENCY TOILETS
- LOW FLOW FAUCETS AND SHOWER HEAD
- BUILT-IN HEADBOARD & NIGHTSTAND
- BUILT-IN RECESSED SHELVES
- WI-FI INTERNET / PHONE ACCESS

NEW HOPE HOUSING DALE CARNEGIE

UNIT B LARGE
360 S.F.

NOT FOR REGULATORY APPROVAL, PERMITTING OR CONSTRUCTION

DATE: 26 FEB 2018
JOB #: 1801NHD
SCALE: 1/4" = 1'-0"
UNIT AMENITIES

- ENERGY STAR MICROWAVE & REFRIGERATOR
- ENERGY STAR LIGHTING
- WINDOW COVERINGS PROVIDED
- R-15 INSULATION AT EXTERIOR WALLS
- R-30 AT EXPOSED FLOORS AND ROOF
- RESILIENT VINYL FLOORING
- COVERED ENTRY
- INDIVIDUAL VRF AIR CONDITIONING UNIT W/ CONTROLS
- AUTOMATIC SPRINKLER SYSTEM THROUGHOUT
- HIGH EFFICIENCY TOILETS
- LOW FLOW FAUCETS AND SHOWER HEAD
- BUILT-IN HEADBOARD & NIGHTSTAND
- BUILT-IN RECESSED SHELVES
- WI-FI INTERNET / PHONE ACCESS

NOT FOR REGULATORY APPROVAL, PERMITTING OR CONSTRUCTION

NEW HOPE HOUSING DALE CARNEGIE

UNIT C
STANDARD
280 S.F.
UNIT AMENITIES

- ENERGY STAR MICROWAVE & REFRIGERATOR
- ENERGY STAR LIGHTING
- WINDOW COVERINGS PROVIDED
- R-15 INSULATION AT EXTERIOR WALLS
- R-30 AT EXPOSED FLOORS AND ROOF
- RESILIENT VINYL FLOORING
- COVERED ENTRY
- INDIVIDUAL VRF AIR CONDITIONING UNIT W/ CONTROLS
- AUTOMATIC SPRINKLER SYSTEM THROUGHOUT
- HIGH EFFICIENCY TOILETS
- LOW FLOW FAUCETS AND SHOWER HEAD
- BUILT-IN HEADBOARD & NIGHTSTAND
- BUILT-IN RECESSED SHELVES
- WI-FI INTERNET / PHONE ACCESS
LOW SLOPE TPO ROOFS TO DRAIN INTO LEADER HEADS AND DOWNSPOUTS. 1/4" PER 12" PITCH TYPICAL

AT ENTRY
ALUMINUM STOREFRONT
METAL PANEL
LEADER HEAD AND DOWNSPOUT
CONCRETE MASONRY UNIT
AT SOUTH EAST PR. LINE
METAL PANEL
ALUMINUM STOREFRONT
CONCRETE MASONRY UNIT
24.66 ft
AT STREET
METAL PANEL
ALUMINUM STOREFRONT
CONCRETE MASONRY UNIT
8.75 ft
AT DRIVE ENTRY
METAL PANEL
ALUMINUM STOREFRONT
CONCRETE MASONRY UNIT
17.23 ft

EXTERIOR FINISH MATERIALS PERCENTAGE SUMMARY FOR BUILDING

<table>
<thead>
<tr>
<th>Material Type</th>
<th>Entry</th>
<th>Street</th>
<th>Drive Entry</th>
</tr>
</thead>
<tbody>
<tr>
<td>ALUMINUM STOREFRONT</td>
<td>61%</td>
<td>63%</td>
<td>63%</td>
</tr>
<tr>
<td>METAL PANEL</td>
<td>59%</td>
<td>57%</td>
<td>57%</td>
</tr>
<tr>
<td>CONCRETE MASONRY UNIT</td>
<td>24%</td>
<td>26%</td>
<td>26%</td>
</tr>
</tbody>
</table>

COMMUNITY BUILDING ELEVATIONS

NEW HOPE HOUSING DALE CARNEGIE

DATE: 25 FEB 2019
JOB #: 1901NHD
SCALE: 3/64" = 1'-0"
FIBER CEMENT SIDING

STUCCO

FIBER CEMENT PANEL

PERFORATED METAL

LOW SLOPE TPO ROOFS TO DRAIN INTO LEADER HEADS AND DOWNSPOUTS. 1/4" PER 12" PITCH TYPICAL

METAL RAILING

STUCCO

FIBER CEMENT SIDING

PERFORATED METAL

LOW SLOPE TPO ROOFS TO DRAIN INTO LEADER HEADS AND DOWNSPOUTS. 1/4" PER 12" PITCH TYPICAL

ALUMINUM STOREFRONT

CONCRETE MASONRY UNIT

NEW HOPE HOUSING DALE CARNEGIE

NOT FOR REGULATORY APPROVAL, PERMITTING OR CONSTRUCTION

DATE: 26 FEB 2018
JOB #: 1801NHG
SCALE: 1’=1’-0”

WEST

WEST END

EAST

CONCRETE MASONRY UNIT

FIBER CEMENT LAP SIDING
63% FIBER CEMENT PANEL
14% PERFORATED METAL

FIBER CEMENT PANEL
FIBER CEMENT LAP SIDING

LOW SLOPE TPO ROOFS TO DRAIN INTO LEADER HEADS AND DOWNSPOUTS. 1/4" PER 12" PITCH TYPICAL

STUCCO

FIBER CEMENT PANEL

LOW SLOPE TPO ROOFS TO DRAIN INTO LEADER HEADS AND DOWNSPOUTS. 1/4" PER 12" PITCH TYPICAL

PERFORATED METAL

FIBER CEMENT SIDING

23%
63%
14%

FIBER CEMENT LAP SIDING
FIBER CEMENT PANEL
PERFORATED METAL

77%
5%
4%
14%

FIBER CEMENT LAP SIDING
FIBER CEMENT PANEL
PERFORATED METAL
STUCCO

75%
5%
20%
LOW SLOPE TPO ROOFS TO DRAIN INTO LEADER HEADS AND DOWNSPOUTS. 1/4" PER 12" PITCH TYPICAL

FIBER CEMENT SIDING
STUCCO
CONCRETE MASONRY UNIT

75% FIBER CEMENT LAP SIDING
23% STUCCO
2% CONCRETE MASONRY UNIT

81% FIBER CEMENT LAP SIDING
17% FIBER CEMENT PANEL
2% CONCRETE MASONRY UNIT

EXTERIOR ELEVATIONS
NEW HOPE HOUSING DALE CARNEGIE

JOB #: 1801
DATE: 26 FEB 2018
SCALE: 3/64" = 1'-0"
CONCRETE MASONRY UNIT
FIBER CEMENT SIDING
LOW SLOPE TPO ROOFS TO DRAIN INTO LEADER HEADS AND DOWNSPOUTS. 1/4" PER 12" PITCH TYPICAL
PERFORATED METAL

COURTYARD EAST

FIBER CEMENT LAP SIDING
FIBER CEMENT PANEL
LOW SLOPE TPO ROOFS TO DRAIN INTO LEADER HEADS AND DOWNSPOUTS. 1/4" PER 12" PITCH TYPICAL
FIBER CEMENT SIDING
CONCRETE MASONRY UNIT
PERFORATED METAL

COURTYARD WEST

NEW HOPE HOUSING DALE CARNEGIE

COURTYARD ELEVATIONS

NOT FOR REGULATORY APPROVAL, PERMITTING OR CONSTRUCTION

DATE: 26 FEB 2018
JOB #: 1801NHG
SCALE: 3/64" = 1'-0"
### Specifications and Building/Unit Type Configuration

Unit types should be entered from smallest to largest based on "# of Bedrooms" and "Sq. Ft. Per Unit." "Unit Label" should correspond to the unit label or name used on the unit floor plan. "Building Label" should conform to the building label or name on the building floor plan. The total number of units per unit type and totals for "Total # of Units" and "Total Sq Ft for Unit Type" should match the rent schedule and site plan. If additional building types are needed, they are available by un-hiding columns Q through AA, and rows 51 through 79.

#### Specifications and Amenities (check all that apply)

- **Single Family Construction**: [ ]
- **SRO Transitional (per §42(l)(3)(B)) Duplex**: [X]
- **Scattered Site Fourplex**: [ ]
- **> 4 Units Per Building Townhome**: [X]

#### Development will have:

- **Fire Sprinklers**: [X]
- **Elevators**: [X]
- **1 # of Elevators**: [57]

#### Number of Parking Spaces (consistent with Architectural Drawings):

- **Shed or Flat Roof Carport Spaces**: [Free: 0, Paid: 0]
- **Attached Garage Spaces**: [Free: 0, Paid: 0]
- **Uncovered Spaces**: [Free: 0, Paid: 0]
- **Structured Parking Garage Spaces**: [Free: 0, Paid: 0]

#### Floor Composition/Wall Height:

- **95 % Carpet/Vinyl/Resilient Flooring**
- **9' Ceiling Height**
- **0 % Ceramic Tile**
- **n/a Upper Floor(s) Ceiling Height (Townhome Only)**
- **5 % Other Describe: Polished concrete**

#### Totals

<table>
<thead>
<tr>
<th>Building Label</th>
<th>Number of Stories</th>
<th>Number of Buildings</th>
<th>Total # of Residential Buildings</th>
<th>Total # of Units</th>
<th>Total Sq Ft for Unit Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>A-ADA</td>
<td>0</td>
<td>1</td>
<td>360</td>
<td>9</td>
<td>3,240</td>
</tr>
<tr>
<td>B</td>
<td>0</td>
<td>1</td>
<td>360</td>
<td>2</td>
<td>720</td>
</tr>
<tr>
<td>C</td>
<td>0</td>
<td>1</td>
<td>280</td>
<td>130</td>
<td>36,400</td>
</tr>
<tr>
<td>D</td>
<td>0</td>
<td>1</td>
<td>308</td>
<td>29</td>
<td>8,932</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td></td>
<td></td>
<td>170</td>
<td>170</td>
<td>49,292</td>
</tr>
</tbody>
</table>

**Net Rentable Square Footage from Rent Schedule**: 49,292

#### Supportive Housing Applicants Only

<table>
<thead>
<tr>
<th># of Bedrooms</th>
<th>Sq. Ft. Per Unit</th>
<th># of Baths</th>
<th>Number of Units Per Building</th>
<th>Total # of Units</th>
<th>Total Sq Ft for Unit Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>360</td>
<td>0</td>
<td>9</td>
<td>9</td>
<td>3,240</td>
</tr>
<tr>
<td>2</td>
<td>360</td>
<td>0</td>
<td>2</td>
<td>2</td>
<td>720</td>
</tr>
<tr>
<td>130</td>
<td>280</td>
<td>0</td>
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<td>36,400</td>
</tr>
<tr>
<td>29</td>
<td>308</td>
<td>0</td>
<td>29</td>
<td>29</td>
<td>8,932</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td></td>
<td></td>
<td>170</td>
<td>170</td>
<td>49,292</td>
</tr>
</tbody>
</table>

**Enter the total development common area from the architect's plans**: 9130

Ensure that this number matches your architectural drawings.

**The additional square footage allowed for Supportive Housing per 11.9(e)(2) is**: 8,500

The lesser of these two numbers added to NRA:

**Use this number to figure points under 11.9(e)(2)**: 57,792

If a revised form is submitted, date of submission:

[Date]
### Specifications and Building/Unit Type Configuration

Unit types should be entered from smallest to largest based on "# of Bedrooms" and "Sq. Ft. Per Unit." "Unit Label" should correspond to the unit label or name used on the unit floor plan. "Building Label" should conform to the building label or name on the building floor plan. The total number of units per unit type and totals for "Total # of Units" and "Total Sq Ft, for Unit Type" should match the rent schedule and site plan. If additional building types are needed, they are available by un-hiding columns Q through AA, and rows 51 through 79.

#### Development will have:
- **Fire Sprinklers**: X
- **Elevators**: X
- **# of Elevators**: 1
  - Wt. Capacity: 1500

#### Number of Parking Spaces (consistent with Architectural Drawings):
- Shed or Flat Roof Carport Spaces: Free Paid Free Paid
- Detached Garage Spaces: 0 0
- Attached Garage Spaces: 0 0
- Uncovered Spaces: 0 0
- Structured Parking Garage Spaces: 57

#### Floor Composition/Wall Height:
- 95% Carpet/Vinyl/Resilient Flooring
- 0% Ceramic Tile
- n/a
- 5% Other
  - Describe: Polished concrete

#### Unit Type Configuration

<table>
<thead>
<tr>
<th>Unit Type</th>
<th>Building Label</th>
<th>Number of Stories</th>
<th>Number of Buildings</th>
<th>Number of Units Per Building</th>
<th>Total # of Units</th>
<th>Total Sq Ft for Unit Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>A-ADA</td>
<td>5/14/2018</td>
<td>9</td>
<td>1</td>
<td>9</td>
<td>3,240</td>
<td></td>
</tr>
<tr>
<td>B</td>
<td>0 1 360</td>
<td>2</td>
<td>1</td>
<td>2</td>
<td>720</td>
<td></td>
</tr>
<tr>
<td>C</td>
<td>0 1 280</td>
<td>130</td>
<td>1</td>
<td>29</td>
<td>8,932</td>
<td></td>
</tr>
<tr>
<td>D</td>
<td>0 1 308</td>
<td></td>
<td>1</td>
<td></td>
<td>36,400</td>
<td></td>
</tr>
</tbody>
</table>

#### Totals
- Total # of Units: 170
- Total Sq Ft for Unit Type: 49,292

**Net RENTABLE Square Footage from Rent Schedule**: 49,292

**Supportive Housing Applicants Only**

Enter the total development common area from the architect's plans: 9130

Ensure that this number matches your architectural drawings.

The additional square footage allowed for Supportive Housing per 11.9(e)(2) is: 8,500

The lesser of these two numbers added to NRA: 57,792

Use this number to figure points under 11.9(e)(2)

If a revised form is submitted, date of submission: 5/14/2018
### Specifications and Building/Unit Type Configuration

Unit types should be entered from smallest to largest based on "# of Bedrooms" and "Sq. Ft. Per Unit." "Unit Label" should correspond to the unit label or name used on the unit floor plan. "Building Configuration" should conform to the building label or name on the building floor plan. The total number of units per unit type and totals for "Total # of Units" and "Total Sq Ft, for Unit Type" should match the rent schedule and site plan. If additional building types are needed, they are available by un-hiding columns Q through AA, and rows 51 through 79.

#### Specifications and Amenities (check all that apply)

<table>
<thead>
<tr>
<th>Building Configuration (Check all that apply):</th>
<th>Single Family Construction</th>
<th>SRO Transitional (per §42(i)(3)(B))</th>
<th>Duplex</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scattered Site</td>
<td></td>
<td>Fourplex</td>
<td></td>
</tr>
<tr>
<td>&gt; 4 Units Per Building</td>
<td></td>
<td></td>
<td>Townhome</td>
</tr>
</tbody>
</table>

Development will have:  
- **X** Fire Sprinklers  
- **X** Elevators  
- **# of Elevators:** 1  
- **Wt. Capacity:** 1500

#### Number of Parking Spaces (consistent with Architectural Drawings):

- **Free Sprinklers:** 0  
- **Paid Sprinklers:** 0  
- **Shed or Flat Roof Carport Spaces:** 0  
- **Detached Garage Spaces:** 0  
- **Attached Garage Spaces:** 57  
- **Uncovered Spaces:** 0  
- **Structured Parking Garage Spaces:** 0

#### Floor Composition/Wall Height:

- **Shed or Flat Roof Carport Spaces:** 0  
- **Detached Garage Spaces:** 0  
- **Attached Garage Spaces:** 57  
- **Uncovered Spaces:** 0  
- **Structured Parking Garage Spaces:** 0

#### Total # of Residential Buildings

<table>
<thead>
<tr>
<th>Building Label</th>
<th>Number of Stories</th>
<th>Number of Buildings</th>
<th>Total # of Units</th>
<th>Total Sq Ft for Unit Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>4</td>
<td>1</td>
<td>9</td>
<td>3,240</td>
</tr>
<tr>
<td>2</td>
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<td>720</td>
</tr>
<tr>
<td>3</td>
<td>130</td>
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<td>130</td>
<td>36,400</td>
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<tr>
<td>4</td>
<td>29</td>
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<td>29</td>
<td>8,932</td>
</tr>
<tr>
<td>Totals</td>
<td></td>
<td></td>
<td>170</td>
<td>49,292</td>
</tr>
</tbody>
</table>

#### Supportive Housing Applicants Only

**Enter the total development common area from the architect's plans:**  
Ensure that this number matches your architectural drawings.  
9130

**The additional square footage allowed for Supportive Housing per 11.9(e)(2) is:**  
8,500

**The lesser of these two numbers added to NRA:**  
Use this number to figure points under 11.9(e)(2)  
57,792

If a revised form is submitted, date of submission:  
5/14/2018

Net Rentable Square Footage from Rent Schedule:  
49,292
Accessible Mobility Units Calculation

Include this worksheet in the Application (or a signed and certified worksheet provided by your accessibility professional that shows the calculations).

To the maximum extent feasible and subject to reasonable health and safety requirements, accessible units must be:

(1) Distributed throughout the Unit types AND the Development; and
(2) Made available in a sufficient range of sizes and amenities so that the choice of living arrangements of qualified persons with Disabilities is, as a whole, comparable to that of other persons eligible for housing assistance under the same program.

Multifamily Housing Developments covered by 10 TAC 10.101(b)(8)(A) must have a minimum of 5% of all units in the development set aside for the mobility impaired and an additional 2% must be set aside for the hearing and/or visually impaired.

<table>
<thead>
<tr>
<th>Mobility</th>
<th>Total Units</th>
<th>Required %</th>
<th>Calculated Units</th>
<th>Units Required</th>
<th>Units Proposed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unit Description</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0/1 SRO</td>
<td>170</td>
<td>5%</td>
<td>8.5</td>
<td>8.5</td>
<td>9</td>
</tr>
<tr>
<td>5%</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5%</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5%</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5%</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>170</td>
<td>8.5</td>
<td>8.5</td>
<td>9</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*NOTE: If total is more than what is required, Applicant will select which Unit(s) not to include Under "Units Proposed"

EXAMPLE:

<table>
<thead>
<tr>
<th>Unit Description</th>
<th>Total Units</th>
<th>Required %</th>
<th>Calculated Units</th>
<th>Units Required</th>
<th>Units Proposed</th>
</tr>
</thead>
<tbody>
<tr>
<td>1/1 (874sqft &amp; 806)</td>
<td>28</td>
<td>5%</td>
<td>1.4</td>
<td>1.4</td>
<td>1</td>
</tr>
<tr>
<td>2/2 (950 sqft &amp; 100)</td>
<td>36</td>
<td>5%</td>
<td>1.8</td>
<td>1.8</td>
<td>2</td>
</tr>
<tr>
<td>3/2 (1120 sqft &amp; 11</td>
<td>4</td>
<td>5%</td>
<td>0.2</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>D</td>
<td></td>
<td>5%</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>E</td>
<td></td>
<td>5%</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>68</td>
<td>3.4</td>
<td>4.2</td>
<td>4</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*NOTE: Required is 4, but calculation yields 4.2. Applicant selected which to round down Under "Units Proposed"

By signing below, I (WE) certify that the information above meets the requirements in Section 504 of the Rehabilitation Act of 1973 and implemented at 24 C.F.R. Part 8 as described in 10 TAC Chapter 1, Subchapter B. At least five percent (5%) of all dwelling units will be designed and built to be accessible for persons with mobility impairments.

By: ____________________________
Ernesto Maldonado
Signature

___________________________________
Ernesto Maldonado
Printed Name

2/24/2018
Date

GSMA, Inc.
Firm Name (If applicable)
**Accessible Hearing/Visual Units Calculation**

Include this worksheet in the Application (or a signed and certified worksheet provided by your accessibility professional that shows the calculations).

To the maximum extent feasible and subject to reasonable health and safety requirements, accessible units must be:

1. Distributed throughout the Unit types AND the Development; and
2. Made available in a sufficient range of sizes and amenities so that the choice of living arrangements of qualified persons with Disabilities is, as a whole, comparable to that of other persons eligible for housing assistance under the same program.

Multifamily Housing Developments covered by 10 TAC 10.101(b)(8)(A) must have a minimum of 5% of all units in the development set aside for the mobility impaired and an additional 2% must be set aside for the hearing and/or visually impaired.

<table>
<thead>
<tr>
<th>Hearing/Visual</th>
<th>Total Units</th>
<th>Required %</th>
<th>Calculated Units</th>
<th>Units Required (Rounded)</th>
<th>Units Proposed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unit Description</td>
<td>170</td>
<td>2%</td>
<td>3.4</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>0/1 SRO</td>
<td>170</td>
<td>2%</td>
<td>3.4</td>
<td>3.4</td>
<td>4</td>
</tr>
</tbody>
</table>

*NOTE*: If total is more than what is required, Applicant will select which to include under "Units Proposed"

**EXAMPLE**

<table>
<thead>
<tr>
<th>Hearing/Visual</th>
<th>Total Units</th>
<th>Required %</th>
<th>Calculated Units</th>
<th>Units Required (Rounded)</th>
<th>Units Proposed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unit Description</td>
<td>68</td>
<td>2%</td>
<td>1.36</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>1/1</td>
<td>28</td>
<td>2%</td>
<td>0.56</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>2/2</td>
<td>36</td>
<td>2%</td>
<td>0.72</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>3/3</td>
<td>4</td>
<td>2%</td>
<td>0.08</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>D</td>
<td></td>
<td>2%</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>E</td>
<td></td>
<td>2%</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>68</td>
<td></td>
<td>1.36</td>
<td><strong>3</strong></td>
<td><strong>2</strong></td>
</tr>
</tbody>
</table>

*NOTE*: Required is 2, but calculation yields 3. Applicant selected which Unit(s) to include under "Units Proposed"

By signing below, I (WE) certify that the information above meets the requirements in Section 504 of the Rehabilitation Act of 1973 and implemented at 24 C.F.R. Part 8 as described in 10 TAC Chapter 1, Subchapter B. At least two percent (2%) of all dwelling units will be designed and built to be accessible for persons with hearing and/or visual impairment.

**By:**

Ernest Maldonado
Signature

Ernest Maldonado
Printed Name

2/24/2018
Date

GSMA, Inc.
Firm Name (If applicable)
Parking requirements based on:

There must be one accessible space per accessible unit located on the closest route to the Unit (ADA).

When parking is provided for leasing office and amenities, use ADA Table 208.2 to calculate.

When calculating additional spaces needed, use whichever yields the larger number of spaces.

If you have different kinds of parking, e.g. lot, carport, and garages, each has to meet the standards individually.

If there is a separate amenity (e.g. a pavilion in the back corner of property) that provides non-accessible spaces, at least one space would need to be an accessible.

Use this chart to indicate number of parking spaces provided.
enter the total number of parking spaces

enter the parking type and the number of spaces in each, starting with the surface lot (*see the example)

make sure the totals match!

<table>
<thead>
<tr>
<th>Total # of Spaces:</th>
<th>Percentage of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surface lot 57</td>
<td>1</td>
</tr>
<tr>
<td>Carports 100</td>
<td>0.666666667</td>
</tr>
<tr>
<td>Garages 50</td>
<td>0.222222222</td>
</tr>
<tr>
<td>Facility 4 0</td>
<td>0.111111111</td>
</tr>
<tr>
<td>Facility 5 0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total 450</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Use this chart to figure out accessible parking requirements.
chart above must be completed first

In C32, enter the total number of accessible spaces required
(see Application Webinar, Part 3, from 0:00 - 14:20, or webinar slides starting at slide 136)

In D33, enter the number of units required per accessible Unit in the surface lot

In column F, distribute required van spaces among the different parking facilities

<table>
<thead>
<tr>
<th># Accessible Spaces:</th>
<th>Distribution</th>
<th>Van Spaces</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surface lot 3</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Carports 3</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>Garages 0</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Facility 4 0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Facility 5 0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total 16</strong></td>
<td><strong>3</strong></td>
<td><strong>1</strong></td>
</tr>
</tbody>
</table>

Total Parking is calculated from City of Houston ordinance (attached exhibit). Accessible Parking is calculated from table 208.2 in the Texas Accessibility Code (attached exhibit).

Special Residential Use units are calculated at .3 spaces per unit, including accessible units. See attached schedule.

Additionally, this project is anticipated to serve a Special Needs population, where vehicle ownership/use is below 10% (see Resident Demographics provided after Tab17). Providing 9 Accessible spaces would equal roughly 17% of all the parking provided.

We respectfully request an exemption to this rule for SRO developments with reduced parking requirements.

By signing below, I (WE) certify that the information above meets the requirements in the 2010 ADA Standards for Accessible Design Title III regulations at 28 CFR part 36, subpart D, and the 2004 ADA Accessibility Guidelines at 36 CFR part 1191, appendices B and D.

There will be at least one accessible spot per accessible unit located on the closest route to the accessible unit. For every 6 or fraction of 6 accessible spaces required, at least one will be van accessible. Accessible spaces will be dispersed amongst the parking types provided.

By: ____________________________
Signature

23 FEB 2018
Date

Ernesto Maldonado
Printed Name

GSMA, Inc.
Firm Name (If applicable)
A. Multi-Tenant (or multi-building project)  
1. At Grade (no decks)  
   2. Semi-Dock High  
   3. Full-Dock High  
   4. Bulk Warehouse  
   5. Heavy Manufacturing and Industrial  
   6. Light Manufacturing, Assembly and Research and Development  

B. Bar, Club or Lounge (including outdoor decks, patio and/or seating areas)  
1. 0.10 space for every one thousand square feet of GFA of office space; and 1.0 space per five thousand square feet of warehouse space.  
2. 1.0 space for every bed proposed to be constructed.  
3. 1.0 space for every 500 square feet of GFA of retail sales area.  
4. 0.50 space for every employee.  
5. 0.50 space for every bed proposed to be constructed and 1.0 space for every four employees.  

C. Additional Parking Requirements  
   1. 0.50 space for every one thousand square feet of GFA of office space; and 1.0 space per five thousand square feet of warehouse space.  
   2. 1.0 space for every bed proposed to be constructed.  
   3. 1.0 space for every 500 square feet of GFA of retail sales area.  
   4. 0.50 space for every employee.  
   5. 0.50 space for every bed proposed to be constructed and 1.0 space for every four employees.  

D. Mobile Home Park  
   1. 2.0 parking spaces per dwelling unit.  

E. Service Station  
   1. 1.0 space for every one thousand square feet of GFA.  
   2. 0.50 space for每 vehicle.  

F. Car Wash (all others)  
   1. 1.0 space per stall.  

G. Auto Repair Establishment  
   1. 5.0 spaces for every one thousand square feet of GFA.  

H. Retail Store (Free Standing)  
   1. 4.0 spaces for every one thousand square feet of GFA.  

I. Furniture Store  
   1. 2.0 spaces for every one thousand square feet of GFA.  

J. Supermarket or Convenience Market  
   1. 5.0 spaces for every one thousand square feet of GFA.  

K. Hospital  
   1. 2.2 spaces for each bed proposed to be constructed.  

L. Jr. High School  
   1. 3.5 spaces per 30 person classroom.  

M. Senior High School  
   1. 9.5 spaces per 30 person classroom.  

N. Elementary School  
   1. 1.5 spaces per 30 person classroom.  

O. Church  
   1. 1.0 space for every five fixed seats in auditorium or sanctuary or, if there are no fixed seats, 1.0 space for every 40 square feet of GFA in the main auditorium or sanctuary.  

P. Bar, Club or Lounge (including outdoor decks, patio and/or seating areas)  
1. 0.10 space for every one thousand square feet of GFA of office space; and 1.0 space per five thousand square feet of warehouse space.  
2. 1.0 space for every bed proposed to be constructed.  
3. 1.0 space for every 500 square feet of GFA of retail sales area.  
4. 0.50 space for every employee.  
5. 0.50 space for every bed proposed to be constructed and 1.0 space for every four employees.  

Q. Church  
   1. 1.0 space for every five fixed seats in auditorium or sanctuary or, if there are no fixed seats, 1.0 space for every 40 square feet of GFA in the main auditorium or sanctuary.  

R. Bar, Club or Lounge (including outdoor decks, patio and/or seating areas)  
1. 0.10 space for every one thousand square feet of GFA of office space; and 1.0 space per five thousand square feet of warehouse space.  
2. 1.0 space for every bed proposed to be constructed.  
3. 1.0 space for every 500 square feet of GFA of retail sales area.  
4. 0.50 space for every employee.  
5. 0.50 space for every bed proposed to be constructed and 1.0 space for every four employees.  

S. Senior High School  
   1. 9.5 spaces per 30 person classroom.  

T. Elementary School  
   1. 1.5 spaces per 30 person classroom.  

U. Church  
   1. 1.0 space for every five fixed seats in auditorium or sanctuary or, if there are no fixed seats, 1.0 space for every 40 square feet of GFA in the main auditorium or sanctuary.  

V. Bar, Club or Lounge (including outdoor decks, patio and/or seating areas)  
1. 0.10 space for every one thousand square feet of GFA of office space; and 1.0 space per five thousand square feet of warehouse space.  
2. 1.0 space for every bed proposed to be constructed.  
3. 1.0 space for every 500 square feet of GFA of retail sales area.  
4. 0.50 space for every employee.  
5. 0.50 space for every bed proposed to be constructed and 1.0 space for every four employees.  

W. Senior High School  
   1. 9.5 spaces per 30 person classroom.  

X. Elementary School  
   1. 1.5 spaces per 30 person classroom.  

Y. Church  
   1. 1.0 space for every five fixed seats in auditorium or sanctuary or, if there are no fixed seats, 1.0 space for every 40 square feet of GFA in the main auditorium or sanctuary.  

Z. Bar, Club or Lounge (including outdoor decks, patio and/or seating areas)  
1. 0.10 space for every one thousand square feet of GFA of office space; and 1.0 space per five thousand square feet of warehouse space.  
2. 1.0 space for every bed proposed to be constructed.  
3. 1.0 space for every 500 square feet of GFA of retail sales area.  
4. 0.50 space for every employee.  
5. 0.50 space for every bed proposed to be constructed and 1.0 space for every four employees.  

AA. Church  
   1. 1.0 space for every five fixed seats in auditorium or sanctuary or, if there are no fixed seats, 1.0 space for every 40 square feet of GFA in the main auditorium or sanctuary.  

BB. Bar, Club or Lounge (including outdoor decks, patio and/or seating areas)  
1. 0.10 space for every one thousand square feet of GFA of office space; and 1.0 space per five thousand square feet of warehouse space.  
2. 1.0 space for every bed proposed to be constructed.  
3. 1.0 space for every 500 square feet of GFA of retail sales area.  
4. 0.50 space for every employee.  
5. 0.50 space for every bed proposed to be constructed and 1.0 space for every four employees.
206.7.10 Recreational Boating Facilities and Fishing Piers and Platforms. Platform lifts shall be permitted to be used instead of gangways that are part of accessible routes serving recreational boating facilities and fishing piers and platforms.

206.8 Security Barriers. Security barriers, including but not limited to, security bollards and security check points, shall not obstruct a required accessible route or accessible means of egress.

EXCEPTION: Where security barriers incorporate elements that cannot comply with these requirements such as certain metal detectors, fluoroscopes, or other similar devices, the accessible route shall be permitted to be located adjacent to security screening devices. The accessible route shall permit persons with disabilities passing around security barriers to maintain visual contact with their personal items to the same extent provided others passing through the security barrier.

207 Accessible Means of Egress


EXCEPTIONS:
1. Where means of egress are permitted by local building or life safety codes to share a common path of egress travel, accessible means of egress shall be permitted to share a common path of egress travel.
2. Areas of refuge shall not be required in detention and correctional facilities.


208 Parking Spaces

208.1 General. Where parking spaces are provided, parking spaces shall be provided in accordance with 208.

EXCEPTION: Parking spaces used exclusively for buses, trucks, other delivery vehicles, law enforcement vehicles, or vehicular impound shall not be required to comply with 208 provided that lots accessed by the public are provided with a passenger loading zone complying with 503.

208.2 Minimum Number. Parking spaces complying with 502 shall be provided in accordance with Table 208.2 except as required by 208.2.1, 208.2.2, and 208.2.3. Where more than one parking facility is provided on a site, the number of accessible spaces provided on the site shall be calculated according to the number of spaces required for each parking facility.
Table 208.2 Parking Spaces

<table>
<thead>
<tr>
<th>Total Number of Parking Spaces Provided in Parking Facility</th>
<th>Minimum Number of Required Accessible Parking Spaces</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 to 25</td>
<td>1</td>
</tr>
<tr>
<td>26 to 50</td>
<td>2</td>
</tr>
<tr>
<td>51 to 75</td>
<td>3</td>
</tr>
<tr>
<td>76 to 100</td>
<td>4</td>
</tr>
<tr>
<td>101 to 150</td>
<td>5</td>
</tr>
<tr>
<td>151 to 200</td>
<td>6</td>
</tr>
<tr>
<td>201 to 300</td>
<td>7</td>
</tr>
<tr>
<td>301 to 400</td>
<td>8</td>
</tr>
<tr>
<td>401 to 500</td>
<td>9</td>
</tr>
<tr>
<td>501 to 1000</td>
<td>2 percent of total</td>
</tr>
<tr>
<td>1001 and over</td>
<td>20, plus 1 for each 100, or fraction thereof, over 1000</td>
</tr>
</tbody>
</table>

Advisory 208.2 Minimum Number. The term “parking facility” is used Section 208.2 instead of the term “parking lot” so that it is clear that both parking lots and parking structures are required to comply with this section. The number of parking spaces required to be accessible is to be calculated separately for each parking facility; the required number is not to be based on the total number of parking spaces provided in all of the parking facilities provided on the site.

208.2.1 Hospital Outpatient Facilities. Ten percent of patient and visitor parking spaces provided to serve hospital outpatient facilities shall comply with 502.

Advisory 208.2.1 Hospital Outpatient Facilities. The term "outpatient facility" is not defined in this document but is intended to cover facilities or units that are located in hospitals and that provide regular and continuing medical treatment without an overnight stay. Doctors’ offices, independent clinics, or other facilities not located in hospitals are not considered hospital outpatient facilities for purposes of this document.

208.2.2 Rehabilitation Facilities and Outpatient Physical Therapy Facilities. Twenty percent of patient and visitor parking spaces provided to serve rehabilitation facilities specializing in treating conditions that affect mobility and outpatient physical therapy facilities shall comply with 502.

Advisory 208.2.2 Rehabilitation Facilities and Outpatient Physical Therapy Facilities. Conditions that affect mobility include conditions requiring the use or assistance of a brace, cane, crutch, prosthetic device, wheelchair, or powered mobility aid; arthritic, neurological, or orthopedic conditions that severely limit one's ability to walk; respiratory diseases and other conditions which may require the use of portable oxygen; and cardiac conditions that impose significant functional limitations.

208.2.3 Residential Facilities. Parking spaces provided to serve residential facilities shall comply with 208.2.3.

208.2.3.1 Parking for Residents. Where at least one parking space is provided for each residential dwelling unit, at least one parking space complying with 502 shall be provided for each residential dwelling unit required to provide mobility features complying with 809.2 through 809.4.
<table>
<thead>
<tr>
<th>Rent Designations (select from Drop down menu)</th>
<th>HTC Units</th>
<th>MF Direct Loan Units (HOME Rent/Inc)</th>
<th>National HTF Units</th>
<th>TDHCA MRB Units</th>
<th>Other/Subsidy</th>
<th># of Units</th>
<th># of Bedrooms</th>
<th># of Baths</th>
<th>Unit Size (Net Rentable Sq. Ft.)</th>
<th>Total Net Rentable Sq. Ft.</th>
<th>Program Rent Limit</th>
<th>Tenant Paid Utility Allow.</th>
<th>Rent Collected/Unit</th>
<th>Total Monthly Rent</th>
</tr>
</thead>
<tbody>
<tr>
<td>TC 30% HOME Low</td>
<td>26</td>
<td>0</td>
<td>1.0</td>
<td>280</td>
<td>7,280</td>
<td>375</td>
<td>0</td>
<td>0</td>
<td>375</td>
<td>9,750</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TC 50% HOME High</td>
<td>63</td>
<td>0</td>
<td>1.0</td>
<td>280</td>
<td>17,640</td>
<td>626</td>
<td>0</td>
<td>550</td>
<td>34,650</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TC 60% HOME High</td>
<td>41</td>
<td>0</td>
<td>1.0</td>
<td>280</td>
<td>11,480</td>
<td>751</td>
<td>0</td>
<td>550</td>
<td>22,550</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TC 30% HOME High</td>
<td>6</td>
<td>0</td>
<td>1.0</td>
<td>308</td>
<td>1,848</td>
<td>375</td>
<td>0</td>
<td>0</td>
<td>701</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TC 60% HOME High</td>
<td>14</td>
<td>0</td>
<td>1.0</td>
<td>308</td>
<td>4,312</td>
<td>626</td>
<td>0</td>
<td>560</td>
<td>7,840</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TC 60% HOME High</td>
<td>9</td>
<td>0</td>
<td>1.0</td>
<td>308</td>
<td>2,772</td>
<td>751</td>
<td>0</td>
<td>560</td>
<td>5,040</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TC 30% HOME High</td>
<td>1</td>
<td>0</td>
<td>1.0</td>
<td>360</td>
<td>360</td>
<td>375</td>
<td>0</td>
<td>375</td>
<td>1,100</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TC 60% HOME High</td>
<td>2</td>
<td>0</td>
<td>1.0</td>
<td>360</td>
<td>720</td>
<td>626</td>
<td>0</td>
<td>600</td>
<td>1,200</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TC 30% HOME High</td>
<td>5</td>
<td>0</td>
<td>1.0</td>
<td>360</td>
<td>1,800</td>
<td>626</td>
<td>0</td>
<td>550</td>
<td>2,750</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TC 60% HOME High</td>
<td>2</td>
<td>0</td>
<td>1.0</td>
<td>360</td>
<td>720</td>
<td>751</td>
<td>0</td>
<td>550</td>
<td>1,100</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>170</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>49,292</td>
<td>87,880</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Rent Limits

<table>
<thead>
<tr>
<th>AMFI</th>
<th>%</th>
<th>$375</th>
<th>$432</th>
<th>$501</th>
<th>$556</th>
<th>$626</th>
<th>$751</th>
<th>$804</th>
</tr>
</thead>
<tbody>
<tr>
<td>30%</td>
<td></td>
<td>$376</td>
<td>$432</td>
<td>$501</td>
<td>$567</td>
<td>$626</td>
<td>$751</td>
<td>$804</td>
</tr>
<tr>
<td>40%</td>
<td></td>
<td>$376</td>
<td>$432</td>
<td>$501</td>
<td>$556</td>
<td>$626</td>
<td>$751</td>
<td>$804</td>
</tr>
<tr>
<td>50%</td>
<td></td>
<td>$376</td>
<td>$432</td>
<td>$501</td>
<td>$556</td>
<td>$626</td>
<td>$751</td>
<td>$804</td>
</tr>
<tr>
<td>60%</td>
<td></td>
<td>$376</td>
<td>$432</td>
<td>$501</td>
<td>$556</td>
<td>$626</td>
<td>$751</td>
<td>$804</td>
</tr>
</tbody>
</table>

- **Self Score Total**: 116

### Unit Types

Unit types must be entered from smallest to largest based on "# of Bedrooms" and "Unit Size", then within the same "# of Bedrooms" and "Unit Size" from lowest to highest. "Rent Collected/Unit".

### Private Activity Bond Priority (For Tax-Exempt Bond Developments ONLY):

- This section likely contains additional information related to bond priorities and considerations for tax-exempt bond developments.

### Rent Schedule

- The Rent Schedule includes a table that likely details rent amounts and calculations for different types of units. The specific details and calculations are not fully visible in the provided cropped image.

### Calculation Formulas

- **Total Nonrental Income**: Calculated as a separate section, possibly including non-rental income sources like laundry and vending.
- **Potential Gross Monthly Income**: Derived from non-rental income. The exact calculation is not fully visible but likely involves multiplication or addition of income sources.
- **Provision for Vacancy & Collection Loss**: A percentage of the potential gross income, possibly 7.00% of 6,271, resulting in a different value.
- **Rental Concessions**: Enter as a negative number, indicating adjustments to the basic rent charges.

### Effective Gross Income Calculations

- **Effective Gross Monthly Income**: Calculated from the potential gross income and other adjustments.
- **Effective Gross Annual Income**: Multiplying the effective gross monthly income by 12 to get the annual income.

### Other Information

- If a revised form is submitted, the date of submission is indicated. This likely serves as a recordkeeping or compliance requirement for the submission of updated information.

The image contains various financial calculations and data entries related to a rent schedule and potential gross income, with specific calculations for different unit types and adjustments for vacancies and other factors.
### Rent Schedule

Unit types must be entered from smallest to largest based on "# of Bedrooms" and "Unit Size", then within the same "# of Bedrooms" and "Unit Size" from lowest to highest "Rent Collected/Unit".

**Private Activity Bond Priority (For Tax-Exempt Bond Developments ONLY):**

| Rent Designations (select from Drop down menu) | HTC Units | MF Direct Loan Units (HOME Rent/Inc) | National HTF Units | TDHCA MRB Units | Other/Subsidy | # of Units | # of Bedrooms | # of Baths | Unit Size (Net Rentable Sq. Ft.) | Total Net Rentable Sq. Ft. | Program Rent Limit | Tenant Paid Utility Allow. | Rent Collected /Unit | Total Monthly Rent |
|------------------------------------------------|-----------|-------------------------------------|--------------------|-----------------|---------------|------------|-------------|-----------|-------------------------------|---------------------|-----------------------|----------------------|----------------------|----------------------|---------------------|
| TC 30% HOME Low                                | 26        | 0                                   | 1.0                | 280             | 7,280        | 375        | 0           | 375      | 9,750                         |                      |                       |                      |                      | 9,750                |
| TC 50% HOME High                              | 63        | 0                                   | 1.0                | 280             | 17,640       | 626        | 0           | 550      | 34,650                        |                      |                       |                      |                      | 34,650               |
| TC 60% HOME High                              | 41        | 0                                   | 1.0                | 280             | 11,480       | 751        | 0           | 550      | 22,550                        |                      |                       |                      |                      | 22,550               |
| TC 30% HOME High                              | 6         | 0                                   | 1.0                | 308             | 1,848        | 751        | 0           | 550      | 2,250                         |                      |                       |                      |                      | 2,250                |
| TC 60% HOME High                              | 14        | 0                                   | 1.0                | 308             | 4,312        | 626        | 0           | 560      | 7,840                         |                      |                       |                      |                      | 7,840                |
| TC 60% HOME High                              | 9         | 0                                   | 1.0                | 308             | 2,772        | 701        | 0           | 560      | 5,040                         |                      |                       |                      |                      | 5,040                |
| TC 30% HOME Low                               | 1         | 0                                   | 1.0                | 360             | 360          | 375        | 0           | 375      | 375                           |                      |                       |                      |                      | 375                  |
| TC 60% HOME High                              | 2         | 0                                   | 1.0                | 360             | 720          | 751        | 0           | 600      | 1,200                         |                      |                       |                      |                      | 1,200                |
| TC 30% HOME High                              | 1         | 0                                   | 1.0                | 360             | 360          | 375        | 0           | 375      | 375                           |                      |                       |                      |                      | 375                  |
| TC 50% HOME High                              | 5         | 0                                   | 1.0                | 360             | 1,800        | 626        | 0           | 550      | 2,750                         |                      |                       |                      |                      | 2,750                |
| TC 60% HOME High                              | 2         | 0                                   | 1.0                | 360             | 720          | 701        | 0           | 550      | 1,100                         |                      |                       |                      |                      | 1,100                |

**TOTAL**                                      | 170       | 49,292                              |                      |                 |              |            |            |          |                              |                      |                       |                      |                      | 87,880               |

- **Non Rental Income**
  - $10.00 per unit/month for:
    - Laundry and vending: 1,700

- **Total Non-Rental Income**: $10.00 per unit/month = 1,700

- **Potential Gross Monthly Income**: 89,580

- **Provision for Vacancy & Collection Loss**: 7.00% (6,271)

- **Rental Concessions**
  - Enter as a negative number

- **Effective Gross Monthly Income**: 83,309

- **Effective Gross Annual Income**: 999,713

**If a revised form is submitted, date of submission:** 5/14/2018
<table>
<thead>
<tr>
<th><strong>Housing Tax Credits</strong></th>
<th>% of Li</th>
<th>% of Total</th>
<th>34</th>
</tr>
</thead>
<tbody>
<tr>
<td>TC30%</td>
<td>20%</td>
<td>20%</td>
<td>34</td>
</tr>
<tr>
<td>TC40%</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>TC50%</td>
<td>40%</td>
<td>40%</td>
<td>68</td>
</tr>
<tr>
<td>TC60%</td>
<td>40%</td>
<td>40%</td>
<td>68</td>
</tr>
<tr>
<td>HTC Li Total</td>
<td>170</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EO</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>MR</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>MR Total</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total Units</td>
<td>170</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Mortgage Revenue Bond</strong></th>
<th>% of Li</th>
<th>% of Total</th>
<th>0</th>
</tr>
</thead>
<tbody>
<tr>
<td>MRB30%</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>MRB40%</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>MRB50%</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>MRB60%</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>MRB Li Total</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>MRBMR</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>MRBMR Total</td>
<td>0</td>
<td>0</td>
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<td>MRB Total</td>
<td>0</td>
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<table>
<thead>
<tr>
<th><strong>Bedrooms</strong></th>
<th>% of Li</th>
<th>% of Total</th>
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<tr>
<td>0</td>
<td></td>
<td>170</td>
</tr>
<tr>
<td>1</td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>2</td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>3</td>
<td></td>
<td>0</td>
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<tr>
<td>4</td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>5</td>
<td></td>
<td>0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>National Housing Trust Fund</strong></th>
<th>% of Li</th>
<th>% of Total</th>
<th>0</th>
</tr>
</thead>
<tbody>
<tr>
<td>HTF30%</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>HTF40%</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>HTF50%</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>HTF60%</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>HTF80%</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>HTF Li Total</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>MR</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>MR Total</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>HTF Total</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Direct Loan</strong></th>
<th>% of Li</th>
<th>% of Total</th>
<th>0</th>
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</thead>
<tbody>
<tr>
<td>Direct Loan Li Total</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>EO</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>MR</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>MR Total</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Direct Loan Total</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Other</strong></th>
<th>% of Li</th>
<th>% of Total</th>
<th>120</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total OT Units</td>
<td>120</td>
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<td>120</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Acquisition + Hard</strong></th>
<th>Cost Per Sq Ft</th>
<th>$160.44</th>
</tr>
</thead>
<tbody>
<tr>
<td>HARD</td>
<td>Cost Per Sq Ft</td>
<td>$160.44</td>
</tr>
<tr>
<td>BUILDING</td>
<td>Cost Per Sq Ft</td>
<td>$289.20</td>
</tr>
</tbody>
</table>

DO NOT USE THIS CALCULATION TO SCORE POINTS UNDER 11.9(e)(2). At the end of the Development Cost Schedule, you will have the ability to adjust your eligible costs to qualify. Points will be entered there.
**Utility Allowances**

<table>
<thead>
<tr>
<th>Utility</th>
<th>Who Pays</th>
<th>Energy Source</th>
<th>0BR</th>
<th>1BR</th>
<th>2BR</th>
<th>3BR</th>
<th>4BR</th>
<th>Source of Utility Allowance &amp; Effective Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Heating</td>
<td>Landlord</td>
<td>Natural Gas</td>
<td>$7</td>
<td>$8</td>
<td>$9</td>
<td>$9</td>
<td>$11</td>
<td>Houston Housing Authority 12/1/17</td>
</tr>
<tr>
<td>Cooking</td>
<td>Landlord</td>
<td>Electric</td>
<td>$4</td>
<td>$4</td>
<td>$6</td>
<td>$8</td>
<td>$10</td>
<td>Houston Housing Authority 12/1/18</td>
</tr>
<tr>
<td>Other Electric</td>
<td>Landlord</td>
<td>Electric</td>
<td>$14</td>
<td>$16</td>
<td>$23</td>
<td>$29</td>
<td>$35</td>
<td>Houston Housing Authority 12/1/19</td>
</tr>
<tr>
<td>Air Conditioning</td>
<td>Landlord</td>
<td>Electric</td>
<td>$12</td>
<td>$15</td>
<td>$20</td>
<td>$26</td>
<td>$32</td>
<td>Houston Housing Authority 12/1/20</td>
</tr>
<tr>
<td>Water Heater</td>
<td>Landlord</td>
<td>Natural Gas</td>
<td>$4</td>
<td>$5</td>
<td>$7</td>
<td>$9</td>
<td>$11</td>
<td>Houston Housing Authority 12/1/21</td>
</tr>
<tr>
<td>Water</td>
<td>Landlord</td>
<td>Natural Gas</td>
<td>$21</td>
<td>$21</td>
<td>$27</td>
<td>$34</td>
<td>$40</td>
<td>Houston Housing Authority 12/1/22</td>
</tr>
<tr>
<td>Sewer</td>
<td>Landlord</td>
<td></td>
<td>$31</td>
<td>$32</td>
<td>$41</td>
<td>$51</td>
<td>$60</td>
<td>Houston Housing Authority 12/1/23</td>
</tr>
<tr>
<td>Trash</td>
<td>Landlord</td>
<td></td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>Houston Housing Authority 12/1/24</td>
</tr>
<tr>
<td>Flat Fee</td>
<td>Landlord</td>
<td>Electric</td>
<td>$16</td>
<td>$16</td>
<td>$16</td>
<td>$16</td>
<td>$16</td>
<td>Houston Housing Authority 12/1/25</td>
</tr>
<tr>
<td>Other</td>
<td>Landlord</td>
<td>Natural Gas</td>
<td>$16</td>
<td>$16</td>
<td>$16</td>
<td>$16</td>
<td>$16</td>
<td>Houston Housing Authority 12/1/26</td>
</tr>
</tbody>
</table>

**Total Paid by Tenant**

- $ -
- $ -
- $ -
- $ -

**Other (Describe)**

<table>
<thead>
<tr>
<th>Single Room Occupancy, All bills paid by owner</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

If a revised form is submitted, date of submission: 

---

**Utility Allowances** [§10.614]  

Applicant must attach to this form as documentation to support the “Utility Allowance” estimate used in completing the Rent Schedule provided in the Application. Where the Applicant uses any method that requires Department review, such review must have been requested prior to submission of the Application. Please see 10 TAC §10.614. This exhibit must clearly indicate which utility costs are included in the estimate.

If tenants will be required to pay any other mandatory fees (e.g. renter’s insurance) please provide an estimate, description and documentation of those as well.
Allowance for Tenant-Furnished Utilities and Other Services

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing

Effective Date: 12/1/2017

<table>
<thead>
<tr>
<th>LOCALITY: HOUSTON, TX METROPOLITAN AREA</th>
<th>UNIT TYPE: APARTMENTS (5 OR MORE UNITS PER BUILDING)</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Utility or Service</th>
<th>Monthly Dollar Allowances</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0BR</td>
</tr>
<tr>
<td>Heating</td>
<td></td>
</tr>
<tr>
<td>a. Natural Gas</td>
<td>$7</td>
</tr>
<tr>
<td>b. Bottle Gas</td>
<td></td>
</tr>
<tr>
<td>c. Electric</td>
<td>$6</td>
</tr>
<tr>
<td>d. Coal/Other</td>
<td></td>
</tr>
<tr>
<td>Cooking</td>
<td></td>
</tr>
<tr>
<td>a. Natural Gas</td>
<td>$2</td>
</tr>
<tr>
<td>b. Bottle Gas</td>
<td></td>
</tr>
<tr>
<td>c. Electric</td>
<td>$4</td>
</tr>
<tr>
<td>d. Coal/Other</td>
<td></td>
</tr>
<tr>
<td>Other Electric - Lighting - Base</td>
<td>$14</td>
</tr>
<tr>
<td>Air Conditioning</td>
<td>$12</td>
</tr>
<tr>
<td>Water Heating</td>
<td></td>
</tr>
<tr>
<td>a. Natural Gas</td>
<td>$4</td>
</tr>
<tr>
<td>b. Bottle Gas</td>
<td></td>
</tr>
<tr>
<td>c. Electric</td>
<td>$8</td>
</tr>
<tr>
<td>d. Coal/Other</td>
<td></td>
</tr>
<tr>
<td>Water</td>
<td>$21</td>
</tr>
<tr>
<td>Sewer</td>
<td>$31</td>
</tr>
<tr>
<td>Trash Collection</td>
<td></td>
</tr>
<tr>
<td>Range/Microwave (if tenant supplies)</td>
<td>$12</td>
</tr>
<tr>
<td>Refrigerator (if tenant supplies)</td>
<td>$13</td>
</tr>
<tr>
<td>Other - Monthly Electric Fee</td>
<td>$16</td>
</tr>
<tr>
<td>Other - Monthly Gas Fee</td>
<td>$16</td>
</tr>
</tbody>
</table>

Actual Family Allowances To be used by the family to compute allowance. Complete Below for the actual unit rented.

<table>
<thead>
<tr>
<th>Utility or Service</th>
<th>Per Month Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Heating</td>
<td>-</td>
</tr>
<tr>
<td>Cooking</td>
<td>-</td>
</tr>
<tr>
<td>Other Electric</td>
<td>-</td>
</tr>
<tr>
<td>Air Conditioning</td>
<td>-</td>
</tr>
<tr>
<td>Water Heating</td>
<td>-</td>
</tr>
<tr>
<td>Water</td>
<td>-</td>
</tr>
<tr>
<td>Sewer</td>
<td>-</td>
</tr>
<tr>
<td>Trash Collection</td>
<td>-</td>
</tr>
<tr>
<td>Range/Microwave</td>
<td>-</td>
</tr>
<tr>
<td>Refrigerator</td>
<td>-</td>
</tr>
<tr>
<td>Other (Elec Fee)</td>
<td>-</td>
</tr>
<tr>
<td>Other (Gas Fee)</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>$0</td>
</tr>
</tbody>
</table>

Name of Family

Address of Unit

Smaller of bedroom or voucher

This form can be found on Houston Housing Authority’s website: http://www.housingforhouston.com/media/52852/hcv%20utility%20allowances%202018.pdf

Previous editions are obsolete

Page 1 of 1

form HUD-52667(12/97)
ref. Handbook 7420.8
### General & Administrative Expenses

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounting</td>
<td>20,000</td>
</tr>
<tr>
<td>Advertising</td>
<td>2,500</td>
</tr>
<tr>
<td>Legal fees</td>
<td>13,000</td>
</tr>
<tr>
<td>Leased equipment</td>
<td>1,433</td>
</tr>
<tr>
<td>Postage &amp; office supplies</td>
<td>8,000</td>
</tr>
<tr>
<td>Telephone</td>
<td>13,000</td>
</tr>
<tr>
<td>Other Dues &amp; Subscriptions, Consumer Reporting</td>
<td>11,000</td>
</tr>
<tr>
<td>Other Employee engagement expenses</td>
<td>2,150</td>
</tr>
<tr>
<td><strong>Total General &amp; Administrative Expenses</strong></td>
<td><strong>71,083</strong></td>
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### Payroll, Payroll Tax & Employee Benefits

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management</td>
<td>225,000</td>
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<tr>
<td>Maintenance</td>
<td>85,000</td>
</tr>
<tr>
<td>Other Payroll Taxes</td>
<td>14,000</td>
</tr>
<tr>
<td>Other Employee Benefits</td>
<td>22,500</td>
</tr>
<tr>
<td><strong>Total Payroll, Payroll Tax &amp; Employee Benefits</strong></td>
<td><strong>346,500</strong></td>
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</table>

### Repairs & Maintenance

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount (USD)</th>
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</thead>
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<tr>
<td>Elevator</td>
<td>3,600</td>
</tr>
<tr>
<td>Exterminating</td>
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</tr>
<tr>
<td>Grounds</td>
<td>20,000</td>
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<tr>
<td>Make-ready</td>
<td>5,500</td>
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<tr>
<td>Repairs</td>
<td>46,000</td>
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<tr>
<td>Pool</td>
<td>5,500</td>
</tr>
<tr>
<td>Other Janitorial service, Security, Permits</td>
<td>35,000</td>
</tr>
<tr>
<td><strong>Total Repairs &amp; Maintenance</strong></td>
<td><strong>114,100</strong></td>
</tr>
</tbody>
</table>

### Utilities (Enter Only Property Paid Expense)

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electric</td>
<td>Historical Data</td>
</tr>
<tr>
<td>Natural gas</td>
<td>Historical Data</td>
</tr>
<tr>
<td>Trash</td>
<td>Historical Data</td>
</tr>
<tr>
<td>Water/Sewer</td>
<td>Historical Data</td>
</tr>
<tr>
<td>Other</td>
<td>describe</td>
</tr>
<tr>
<td><strong>Total Utilities</strong></td>
<td><strong>112,000</strong></td>
</tr>
</tbody>
</table>

### Annual Property Insurance

<table>
<thead>
<tr>
<th>Category</th>
<th>Rate per net rentable square foot</th>
<th>Amount (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Property Insurance</td>
<td>1.72</td>
<td>85,007</td>
</tr>
</tbody>
</table>

### Property Taxes

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Published Capitalization Rate: 10.00%</td>
<td>Source: HCAD</td>
</tr>
<tr>
<td>Annual Property Taxes</td>
<td>55,000</td>
</tr>
<tr>
<td>Payments in Lieu of Taxes</td>
<td></td>
</tr>
<tr>
<td><strong>Total Property Taxes</strong></td>
<td><strong>55,000</strong></td>
</tr>
</tbody>
</table>

### Reserve for Replacements

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual reserves per unit</td>
<td>300</td>
</tr>
<tr>
<td><strong>Total Reserve for Replacements</strong></td>
<td><strong>51,000</strong></td>
</tr>
</tbody>
</table>

### Other Expenses

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cable TV</td>
<td>3,800</td>
</tr>
<tr>
<td>Supportive Services (Staffing/Contracted Services)</td>
<td></td>
</tr>
<tr>
<td>TDHCA Compliance fees</td>
<td>6,800</td>
</tr>
<tr>
<td>TDHCA Bond Administration Fees (TDHCA as Bond Issuer Only)</td>
<td></td>
</tr>
<tr>
<td>Security</td>
<td>7,500</td>
</tr>
<tr>
<td>Other City of Houston Compliance Fees</td>
<td>4,250</td>
</tr>
<tr>
<td><strong>Total Other Expenses</strong></td>
<td><strong>22,350</strong></td>
</tr>
</tbody>
</table>

#### TOTAL ANNUAL EXPENSES

<table>
<thead>
<tr>
<th>Expense per unit</th>
<th>Amount (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Expense to Income Ratio</strong></td>
<td><strong>90.75%</strong></td>
</tr>
</tbody>
</table>

### NET OPERATING INCOME (before debt service)

<table>
<thead>
<tr>
<th>Amount (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>92,495</strong></td>
</tr>
</tbody>
</table>

### Annual Debt Service

<table>
<thead>
<tr>
<th>Amount (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>0</strong></td>
</tr>
</tbody>
</table>

### TOTAL ANNUAL DEBT SERVICE

<table>
<thead>
<tr>
<th>Amount (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>0.00</strong></td>
</tr>
</tbody>
</table>

### NET CASH FLOW

<table>
<thead>
<tr>
<th>Amount (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>92,495</strong></td>
</tr>
</tbody>
</table>

If a revised form is submitted, date of submission: [_____]

---

**ANNUAL OPERATING EXPENSES**

**General & Administrative Expenses**

- Accounting: $20,000
- Advertising: $2,500
- Legal fees: $13,000
- Leased equipment: $1,433
- Postage & office supplies: $8,000
- Telephone: $13,000
- Other: $11,000
- Other Employee engagement expenses: $2,150

**Total General & Administrative Expenses:** $71,083

**Management Fee:** Percent of Effective Gross Income: 5.02% $50,178

**Payroll, Payroll Tax & Employee Benefits**

- Management: $225,000
- Maintenance: $85,000
- Other: $14,000
- Other Employee Benefits: $22,500

**Total Payroll, Payroll Tax & Employee Benefits:** $346,500

**Repairs & Maintenance**

- Elevator: $3,600
- Exterminating: $4,000
- Grounds: $20,000
- Make-ready: $5,500
- Repairs: $46,000
- Pool: $5,500
- Other: $35,000

**Total Repairs & Maintenance:** $114,100

**Utilities (Enter Only Property Paid Expense)**

- Electric: $60,000
- Natural gas: $6,000
- Trash: $8,000
- Water/Sewer: $38,000
- Other: $0

**Total Utilities:** $112,000

**Annual Property Insurance:** Rate per net rentable square foot: 1.72 $85,007

**Property Taxes**

- Published Capitalization Rate: 10.00% Source: HCAD
- Annual Property Taxes: $55,000
- Payments in Lieu of Taxes: $0

**Total Property Taxes:** $55,000

**Reserve for Replacements:** Annual reserves per unit: $300 $51,000

**Other Expenses**

- Cable TV: $3,800
- Supportive Services (Staffing/Contracted Services): $0
- TDHCA Compliance fees: $6,800
- TDHCA Bond Administration Fees (TDHCA as Bond Issuer Only): $0
- Security: $7,500
- Other: $4,250

**Total Other Expenses:** $22,350

**TOTAL ANNUAL EXPENSES**

<table>
<thead>
<tr>
<th>Expense per unit</th>
<th>Amount (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Expense to Income Ratio</strong></td>
<td><strong>90.75%</strong></td>
</tr>
</tbody>
</table>

**NET OPERATING INCOME (before debt service)**

<table>
<thead>
<tr>
<th>Amount (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>92,495</strong></td>
</tr>
</tbody>
</table>

**Annual Debt Service**

<table>
<thead>
<tr>
<th>Amount (USD)</th>
</tr>
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<tbody>
<tr>
<td><strong>0</strong></td>
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</tbody>
</table>

**TOTAL ANNUAL DEBT SERVICE**

<table>
<thead>
<tr>
<th>Amount (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>0.00</strong></td>
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</tbody>
</table>

**NET CASH FLOW**

<table>
<thead>
<tr>
<th>Amount (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>92,495</strong></td>
</tr>
</tbody>
</table>
The pro forma should be based on the operating income and expense information for the base year (first year of stabilized occupancy using today’s best estimates of market rents, restricted rents, rental income and expenses), and principal and interest debt service. The Department uses an annual growth rate of 2% for income and 3% for expenses. Written explanation for any deviations from these growth rates or for assumptions other than straight-line growth made during the proforma period should be attached to this exhibit.

### INCOME

<table>
<thead>
<tr>
<th>Potential Gross Annual Rental Income</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
<th>Year 10</th>
<th>Year 15</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$1,054,560</td>
<td>$1,075,651</td>
<td>$1,097,164</td>
<td>$1,119,108</td>
<td>$1,141,490</td>
<td>$1,260,297</td>
<td>$1,391,470</td>
</tr>
<tr>
<td>Secondary Income</td>
<td>$20,400</td>
<td>$20,808</td>
<td>$21,224</td>
<td>$21,649</td>
<td>$22,082</td>
<td>$24,380</td>
<td>$26,917</td>
</tr>
<tr>
<td>TOTAL POTENTIAL GROSS ANNUAL RENTAL INCOME</td>
<td>$1,074,960</td>
<td>$1,096,459</td>
<td>$1,118,388</td>
<td>$1,140,756</td>
<td>$1,163,571</td>
<td>$1,284,677</td>
<td>$1,418,387</td>
</tr>
<tr>
<td>Provision for Vacancy &amp; Collection Loss</td>
<td>($75,247)</td>
<td>($76,752)</td>
<td>($78,287)</td>
<td>($79,853)</td>
<td>($81,450)</td>
<td>($89,927)</td>
<td>($99,287)</td>
</tr>
<tr>
<td>Rental Concessions</td>
<td>$0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EFFECTIVE GROSS ANNUAL INCOME</td>
<td>$999,713</td>
<td>$1,019,707</td>
<td>$1,040,101</td>
<td>$1,060,903</td>
<td>$1,082,121</td>
<td>$1,194,749</td>
<td>$1,319,100</td>
</tr>
</tbody>
</table>

### EXPENSES

| General & Administrative Expenses | $71,083 | $73,215 | $75,412 | $77,674 | $80,005 | $92,747 | $107,519 |
| Management Fee                    | $50,178 | $51,182 | $52,205 | $53,249 | $54,314 | $59,967 | $66,209 |
| Payroll, Payroll Tax & Employee Benefits | $346,500 | $356,895 | $367,602 | $378,630 | $389,989 | $452,104 | $524,112 |
| Repairs & Maintenance             | $114,100 | $117,523 | $121,049 | $124,680 | $128,421 | $148,875 | $172,586 |
| Electric & Gas Utilities           | $66,000 | $67,980 | $70,019 | $72,120 | $74,284 | $86,115 | $99,831 |
| Water, Sewer & Trash Utilities    | $46,000 | $47,380 | $48,801 | $50,265 | $51,773 | $60,020 | $69,579 |
| Annual Property Insurance Premiums | $85,007 | $87,557 | $90,184 | $92,889 | $95,676 | $110,915 | $128,580 |
| Property Tax                       | $55,000 | $56,650 | $58,350 | $60,100 | $61,903 | $71,763 | $83,192 |
| Reserve for Replacements           | $51,000 | $52,530 | $54,106 | $55,729 | $57,401 | $66,543 | $77,142 |
| Other Expenses                     | $22,350 | $23,021 | $23,711 | $24,422 | $25,155 | $29,162 | $33,806 |
| TOTAL ANNUAL EXPENSES              | $907,218 | $933,933 | $961,439 | $989,760 | $1,018,920 | $1,178,210 | $1,362,558 |

### NET OPERATING INCOME

| $92,495 | $85,775 | $78,662 | $71,143 | $63,201 | $16,539 | ($43,459) |

### DEBT SERVICE

| Annual Net Cash Flow | $92,495 | $85,775 | $78,662 | $71,143 | $63,201 | $16,539 | ($43,459) |
| Cumulative Net Cash Flow | $92,495 | $178,270 | $256,932 | $328,075 | $391,277 | $590,628 | $523,330 |

### CUMULATIVE NET CASH FLOW

<table>
<thead>
<tr>
<th>Debt Coverage Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>#DIV/0!</td>
</tr>
</tbody>
</table>

### Other (Describe)

15 Year Rental Housing Operating Pro Forma (All Programs)

By signing below I (we) are certifying that the above 15 Year pro forma, is consistent with the unit rental rate assumptions, total operating expenses, net operating income, and debt service coverage based on the bank’s current underwriting parameters and consistent with the loan terms indicated in the term sheet and preliminarily considered feasible pending further diligence review. The debt service for each year maintains no less than a 1.15 debt coverage ratio. (Signature only required if using this pro forma for points under §11.9(e)(1) relating to Financial Feasibility)

Signature, Authorized Representative, Construction or Permanent Lender

Ken Overshiner
2/26/2018
Phone: 713.966.2303
Email: ken.overshiner@bbva.com

Signature, Authorized Representative, Syndicator

Jason Aldridge
2/26/2018
Printed Name
Phone: 713.966.2303
Email: ken.overshiner@bbva.com

If a revised form is submitted, date of submission:
Off-Site Cost Breakdown

**This form must be submitted with the Development Cost Schedule if the development has offsite costs, whether those costs are included in the budget as a line item, embedded in the acquisition costs, or referenced in utility provider letters. Therefore, the total costs listed on this worksheet may or may not exactly correspond with those off-site costs indicated on the Development Costs Schedule. However, all costs listed here should be able to be justified in another place in the application.**

**Column A:** The offsite activity reflected here should correspond to the offsite activity reflected in the Development Cost Schedule or other supporting documentation.

**Columns B and C:** In determining actual construction cost, two different methods may be used:

**Column D:** To arrive at total construction costs in Column D:

**Column E:** Any proposed activity involving the acquisition of real property, easements, rights-of-way, etc., must have the projected costs of this acquisition for the activity.

**Column F:** Engineering/architectural costs must be broken out by the offsite work activity.

**Column G:** Figures for Column G, Total Activity Cost, are obtained by adding together Columns D, E, and F to get the total costs.

**ALL contingency must be included in the Contingency line item on the Development Cost Schedule and NOT on this form**

**This form must be completed by a professional engineer licensed to practice in the State of Texas. His or her signature and registration seal must be on the form.**

<table>
<thead>
<tr>
<th>A. Activity</th>
<th>B. Labor or Unit Price</th>
<th>C. Materials or # of Units</th>
<th>D. Total Construction Costs</th>
<th>E. Acquisition Costs</th>
<th>F. Engineering / Architectural Costs</th>
<th>G. Total Activity Costs</th>
</tr>
</thead>
<tbody>
<tr>
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<tr>
<td>Total</td>
<td></td>
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</tr>
</tbody>
</table>

Signature of Registered Engineer responsible for Budget Justification

Printed Name

Seal
## Site Work Cost Breakdown

- In determining actual construction cost, two different methods may be used:
  - The construction costs may be broken into labor (Column B) and materials (Column C) for the activity; OR
  - The use of unit price (Column B) and the number of units (Column C) data for the activity.

- To arrive at total construction costs in Column D:
  - If based on labor and materials, add Column B and Column C together to arrive at total construction costs.
  - If based on unit price measures, Column B is multiplied by Column C to arrive at total construction costs.

- Any proposed activity involving the acquisition of real property, easements, rights-of-way, etc., must have the projected costs of this acquisition for the activity.

- Engineering/architectural costs must be broken out by the Site Work activity.

- Figures for Column G, Total Activity Cost, are obtained by adding together Columns D, E, and F to get the total costs.

**This form must be completed by a Third-Party engineer licensed to practice in the State of Texas. His or her signature and registration seal must be on the form.**

For Site Work costs that exceed $15,000 per Unit and are included in Eligible Basis, a CPA letter allocating which portions of those site costs should be included in Eligible Basis and which ones may be ineligible must be submitted behind this tab.

<table>
<thead>
<tr>
<th>A. Activity</th>
<th>B. Labor or Unit Price</th>
<th>C. Materials or # of Units</th>
<th>D. Total Construction Costs</th>
<th>E. Acquisition Costs</th>
<th>F. Engineering / Architectural Costs</th>
<th>G. Total Activity Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>SITE MOBILIZATION</td>
<td>$15,000/LUMP SUM</td>
<td>1</td>
<td>$15,000</td>
<td>Zero</td>
<td>Zero</td>
<td>$15,000</td>
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<tr>
<td>EROSION CONTROLS</td>
<td>$40,000/ LS</td>
<td>1</td>
<td>$40,000</td>
<td>Zero</td>
<td>Zero</td>
<td>$40,000</td>
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<tr>
<td>PVC ROOF DRAINS</td>
<td>$35/ LF</td>
<td>640</td>
<td>$22,400.00</td>
<td>Zero</td>
<td>Zero</td>
<td>$22,400</td>
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<tr>
<td>24-INCH RCP STORM SEWER</td>
<td>$90/ LF</td>
<td>60</td>
<td>$5,400.00</td>
<td>Zero</td>
<td>Zero</td>
<td>$5,400</td>
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<tr>
<td>48-INCH HDPE STORM SEWER</td>
<td>$170/ LF</td>
<td>1,700</td>
<td>$289,000.00</td>
<td>Zero</td>
<td>Zero</td>
<td>$289,000</td>
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<tr>
<td>GRATED STORM MANHOLES</td>
<td>$3,500/ EA</td>
<td>3</td>
<td>$10,500.00</td>
<td>Zero</td>
<td>Zero</td>
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<td>$2,500/ EA</td>
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<td>$2,500.00</td>
<td>Zero</td>
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<td>$400/ EA</td>
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<td>$2,000.00</td>
<td>Zero</td>
<td>Zero</td>
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<tr>
<td>8-INCH PVC SANITARY</td>
<td>$65/ LF</td>
<td>91</td>
<td>$5,915.00</td>
<td>Zero</td>
<td>Zero</td>
<td>$5,915</td>
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<td>8-INCH X 6-INCH TS&amp;V</td>
<td>$15,000/ EA</td>
<td>1</td>
<td>$15,000.00</td>
<td>Zero</td>
<td>Zero</td>
<td>$15,000</td>
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<tr>
<td>6-INCH METER &amp; VAULT</td>
<td>$20,000/ EA</td>
<td>1</td>
<td>$20,000.00</td>
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<tr>
<td>2-INCH METER FOR IRRIGATION</td>
<td>$4,000/ EA</td>
<td>1</td>
<td>$4,000.00</td>
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<td>Zero</td>
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<tr>
<td>6-INCH ASTM C-900 PVC WATER LINE</td>
<td>$60/ LF</td>
<td>126</td>
<td>$7,560.00</td>
<td>Zero</td>
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<tr>
<td>6-INCH CONCRETE PAVING &amp; STAB. SUBG</td>
<td>$60/ SY</td>
<td>2108</td>
<td>$126,480.00</td>
<td>Zero</td>
<td>Zero</td>
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<tr>
<td>7-INCH CONC. DRIVEWAYS W/ STAB. SUB</td>
<td>$65/ SY</td>
<td>47</td>
<td>$3,055.00</td>
<td>Zero</td>
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<tr>
<td>REMOVE &amp; DISPOSE 6-INCH STRIPPING</td>
<td>$12/ CY</td>
<td>1200</td>
<td>$14,400.00</td>
<td>Zero</td>
<td>Zero</td>
<td>$14,400</td>
</tr>
<tr>
<td>EXCAVATE, REMOVE &amp; DISPOSE 5-FT BEL</td>
<td>$25/ CY</td>
<td>6926</td>
<td>$173,150.00</td>
<td>Zero</td>
<td>Zero</td>
<td>$173,150</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td><strong>$756,360</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Signature of Registered Engineer: [Signature]

Date: 2/26/2018

Printed Name: W.M. LANGFORD

[Seal]

If a revised form is submitted, date of submission: [ ]
**Site Work Cost Breakdown**

*is form must be submitted with the Development Cost Schedule as justification of Site Work costs.*

**Column A**: The Site Work activity reflected here must match the Site Work activity reflected in the Development Cost Schedule.

**Columns B and C**: In determining actual construction cost, two different methods may be used:

- The construction costs may be broken into labor (Column B) and materials (Column C) for the activity; **OR**
- The use of unit price (Column B) and the number of units (Column C) data for the activity.

**Column D**: To arrive at total construction costs in Column D:

- If based on labor and materials, add Column B and Column C together to arrive at total construction costs.
- If based on unit price measures, Column B is multiplied by Column C to arrive at total construction costs.

**Column E**: Any proposed activity involving the acquisition of real property, easements, rights-of-way, etc., must have the projected costs of this acquisition for the activity.

**Column F**: Engineering/architectural costs must be broken out by the Site Work activity.

**Column G**: Figures for Column G, Total Activity Cost, are obtained by adding together Columns D, E, and F to get the total costs.

---

**This form must be completed by a Third-Party engineer licensed to practice in the State of Texas. His or her signature and registration seal must be on the form.**

For Site Work costs that exceed $15,000 per Unit and are included in Eligible Basis, a CPA letter allocating which portions of those site costs should be included in Eligible Basis and which ones may be ineligible must be submitted behind this tab.

<table>
<thead>
<tr>
<th>Activity</th>
<th>Labor or Unit Price</th>
<th>Materials or # of Units</th>
<th>Total Construction Costs</th>
<th>Acquisition Costs</th>
<th>Engineering / Architectural Costs</th>
<th>Total Activity Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Import &amp; Compact Select Slab Fill 6-ft deep</td>
<td>$25/ CY</td>
<td>8311</td>
<td>$207,775.00</td>
<td>Zero</td>
<td>Zero</td>
<td>$207,775</td>
</tr>
<tr>
<td>Remove &amp; Dispose Excess Fill for Detention</td>
<td>$25/ CY</td>
<td>5120</td>
<td>$128,000.00</td>
<td>Zero</td>
<td>Zero</td>
<td>$128,000</td>
</tr>
<tr>
<td>Onsite Sidewalk</td>
<td>$8/ SF</td>
<td>6100</td>
<td>$48,800.00</td>
<td>Zero</td>
<td>Zero</td>
<td>$48,800</td>
</tr>
<tr>
<td>Public Sidewalk</td>
<td>$8/ SF</td>
<td>830</td>
<td>$6,640.00</td>
<td>Zero</td>
<td>Zero</td>
<td>$6,640</td>
</tr>
<tr>
<td>8-inch Conc. Paving removal and replace</td>
<td>$100/ SY</td>
<td>20</td>
<td>$2,000.00</td>
<td>Zero</td>
<td>Zero</td>
<td>$2,000</td>
</tr>
<tr>
<td>Traffic Control</td>
<td>$25,000/ lump sum</td>
<td>1</td>
<td>$25,000.00</td>
<td>Zero</td>
<td>Zero</td>
<td>$25,000</td>
</tr>
<tr>
<td>6-inch Concrete Curb</td>
<td>$6/ LF</td>
<td>882</td>
<td>$5,292.00</td>
<td>Zero</td>
<td>Zero</td>
<td>$5,292</td>
</tr>
<tr>
<td>Retaining Wall</td>
<td>$100/ LF</td>
<td>600</td>
<td>$60,000.00</td>
<td>Zero</td>
<td>Zero</td>
<td>$60,000</td>
</tr>
<tr>
<td>24&quot; Oak Tree Removal</td>
<td>$5,000/ LS</td>
<td>1</td>
<td>$5,000.00</td>
<td>Zero</td>
<td>Zero</td>
<td>$5,000</td>
</tr>
<tr>
<td>Power Pole Relocation</td>
<td>$10,000/ LS</td>
<td>1</td>
<td>$10,000.00</td>
<td>Zero</td>
<td>Zero</td>
<td>$10,000</td>
</tr>
<tr>
<td>Temporary Electrical Power</td>
<td>$10,000/ LS</td>
<td>1</td>
<td>$10,000.00</td>
<td>Zero</td>
<td>Zero</td>
<td>$10,000</td>
</tr>
<tr>
<td>Surveying</td>
<td>$15,000/ LS</td>
<td>1</td>
<td>$15,000.00</td>
<td>Zero</td>
<td>Zero</td>
<td>$15,000</td>
</tr>
<tr>
<td>Fine Grading</td>
<td>$15,000/ LS</td>
<td>1</td>
<td>$15,000.00</td>
<td>Zero</td>
<td>Zero</td>
<td>$15,000</td>
</tr>
<tr>
<td>Primary Electrical</td>
<td>$110/ LF</td>
<td>270</td>
<td>$29,700.00</td>
<td>Zero</td>
<td>Zero</td>
<td>$29,700</td>
</tr>
<tr>
<td>Irrigation</td>
<td>$170,000/ LS</td>
<td>1</td>
<td>$170,000.00</td>
<td>Zero</td>
<td>Zero</td>
<td>$170,000</td>
</tr>
<tr>
<td>Termite Control</td>
<td>$10,000/ LS</td>
<td>1</td>
<td>$10,000.00</td>
<td>Zero</td>
<td>Zero</td>
<td>$10,000</td>
</tr>
<tr>
<td>Jobsite Safety</td>
<td>$35,000/ LS</td>
<td>1</td>
<td>$35,000.00</td>
<td>Zero</td>
<td>Zero</td>
<td>$35,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td>$783,207</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

Signature of Registered Engineer: [Signature]

W.M. LANGFORD
Printed Name

Date: 2/26/2018

If a revised form is submitted, date of submission:

---

**Seal**

STATE OF TEXAS
PROFESSIONAL ENGINEER

W.M. LANGFORD
B3170
Site Work Cost Breakdown

*Form must be submitted with the Development Cost Schedule as justification of Site Work costs.*

**Lump A**: The Site Work activity reflected here must match the Site Work activity reflected in the Development Cost Schedule.

**Lumps B and C**: In determining actual construction cost, two different methods may be used:

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**Lump F**: Engineering/architectural costs must be broken out by the Site Work activity.

**Lump G**: Figures for Column G, Total Activity Cost, are obtained by adding together Columns D, E, and F to get the total costs.

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---

<table>
<thead>
<tr>
<th>Activity</th>
<th>Labor or Unit Price</th>
<th>Materials or # of Units</th>
<th>Total Construction Costs</th>
<th>Acquisition Costs</th>
<th>Engineering / Architectural Costs</th>
<th>Total Activity Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brick Pavers</td>
<td>$30,000/ lump sum</td>
<td>1</td>
<td>$30,000.00</td>
<td>Zero</td>
<td>Zero</td>
<td>$30,000</td>
</tr>
<tr>
<td>Bore &amp; Jack sanitary sewer</td>
<td>$20,000/ LS</td>
<td>1</td>
<td>$20,000.00</td>
<td>Zero</td>
<td>Zero</td>
<td>$20,000</td>
</tr>
<tr>
<td>Fencing</td>
<td>$25,000/ LS</td>
<td>1</td>
<td>$25,000.00</td>
<td>Zero</td>
<td>Zero</td>
<td>$25,000</td>
</tr>
<tr>
<td>8&quot; Water Line Vertical Offset</td>
<td>$20,000/ LS</td>
<td>1</td>
<td>$20,000.00</td>
<td>Zero</td>
<td>Zero</td>
<td>$20,000</td>
</tr>
<tr>
<td>Centerpoint Energy Gas line Extension</td>
<td>$30/ LF</td>
<td>600</td>
<td>$18,000.00</td>
<td>Zero</td>
<td>Zero</td>
<td>$18,000</td>
</tr>
<tr>
<td>Storm Water Quality Vault</td>
<td>$30,000/ LS</td>
<td>1</td>
<td>$30,000.00</td>
<td>Zero</td>
<td>Zero</td>
<td>$30,000</td>
</tr>
</tbody>
</table>

**Total**                                      |                      |                         |                          |                   |                                  | **$143,000** |

---

**Signature of Registered Engineer**: W.M. LANGFORD  
Date: 2/26/2018  
Printed Name: W.M. LANGFORD  
Seal:  

**State of Texas**  
**Professional Engineer**

$756,360 + 783,207 + 143,000 = $1,682,567 - bps
### Development Cost Schedule

<table>
<thead>
<tr>
<th>TOTAL DEVELOPMENT SUMMARY</th>
<th>Total</th>
<th>Eligible Basis (If Applicable)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td>Acquisition</td>
<td>New/Rehab.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>ACQUISITION</strong></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Site acquisition cost</td>
<td></td>
<td>1,295,000</td>
</tr>
<tr>
<td>Existing building acquisition cost</td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>Closing costs &amp; acq. legal fees</td>
<td></td>
<td>5,000</td>
</tr>
<tr>
<td><strong>Other (specify) - see footnote 1</strong></td>
<td></td>
<td>0</td>
</tr>
<tr>
<td><strong>Other (specify) - see footnote 1</strong></td>
<td></td>
<td>0</td>
</tr>
<tr>
<td><strong>Subtotal Acquisition Cost</strong></td>
<td></td>
<td>$1,300,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>OFF-SITES</strong></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Off-site concrete</td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>Storm drains &amp; devices</td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>Water &amp; fire hydrants</td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>Off-site utilities</td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>Sewer lateral(s)</td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>Off-site paving</td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>Off-site electrical</td>
<td></td>
<td>0</td>
</tr>
<tr>
<td><strong>Other (specify) - see footnote 1</strong></td>
<td></td>
<td>0</td>
</tr>
<tr>
<td><strong>Other (specify) - see footnote 1</strong></td>
<td></td>
<td>0</td>
</tr>
<tr>
<td><strong>Subtotal Off-Sites Cost</strong></td>
<td></td>
<td>$0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>SITE WORK</strong></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Demolition</td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>Asbestos Abatement (Demolition Only)</td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>Detention</td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>Rough grading</td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>Fine grading</td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>On-site concrete</td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>On-site electrical</td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>On-site paving</td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>On-site utilities</td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>Decorative masonry</td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>Bumper stops, striping &amp; signs</td>
<td></td>
<td>0</td>
</tr>
<tr>
<td><strong>See attached detailed schedule</strong></td>
<td></td>
<td>1,682,567</td>
</tr>
<tr>
<td><strong>Subtotal Site Work Cost</strong></td>
<td></td>
<td>$1,682,567</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>SITE AMENITIES</strong></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Landscaping</td>
<td></td>
<td>275,000</td>
</tr>
<tr>
<td>Pool and decking</td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>Athletic court(s), playground(s)</td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>Fencing</td>
<td></td>
<td>67,000</td>
</tr>
<tr>
<td><strong>Courtyard furnishings &amp; cast concrete</strong></td>
<td></td>
<td>75,000</td>
</tr>
<tr>
<td><strong>Subtotal Site Amenities Cost</strong></td>
<td></td>
<td>$417,000</td>
</tr>
</tbody>
</table>

---

*This Development Cost Schedule must be consistent with the Summary Sources and Uses of Funds Statement. All Applications must complete the total development cost column and the Tax Payer Identification column. Only HTC applications must complete the Eligible Basis columns and the Requested Credit calculation below.*

**Self Score Total:** 12
## BUILDING COSTS*

<table>
<thead>
<tr>
<th>Item</th>
<th>Before 11.9(e)(2)</th>
<th>After 11.9(e)(2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Concrete</td>
<td>$603,832</td>
<td>$603,832</td>
</tr>
<tr>
<td>Masonry</td>
<td>$372,678</td>
<td>$372,678</td>
</tr>
<tr>
<td>Metals</td>
<td>$382,113</td>
<td>$382,113</td>
</tr>
<tr>
<td>Woods and Plastics</td>
<td>$2,895,451</td>
<td>$2,895,451</td>
</tr>
<tr>
<td>Thermal and Moisture Protection</td>
<td>$612,324</td>
<td>$612,324</td>
</tr>
<tr>
<td>Roof Covering</td>
<td>$858,574</td>
<td>$858,574</td>
</tr>
<tr>
<td>Doors and Windows</td>
<td>$415,135</td>
<td>$415,135</td>
</tr>
<tr>
<td>Finishes</td>
<td>$1,155,773</td>
<td>$1,155,773</td>
</tr>
<tr>
<td>Specialties</td>
<td>$205,680</td>
<td>$205,680</td>
</tr>
<tr>
<td>Equipment</td>
<td>$141,523</td>
<td>$141,523</td>
</tr>
<tr>
<td>Furnishings</td>
<td>$23,587</td>
<td>$23,587</td>
</tr>
<tr>
<td>Special Construction</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Conveying Systems (Elevators)</td>
<td>$193,415</td>
<td>$193,415</td>
</tr>
<tr>
<td>Mechanical (HVAC; Plumbing)</td>
<td>$2,998,405</td>
<td>$2,998,405</td>
</tr>
<tr>
<td>Electrical</td>
<td>$1,594,966</td>
<td>$1,594,966</td>
</tr>
</tbody>
</table>

### Individually itemize costs below:

<table>
<thead>
<tr>
<th>Item</th>
<th>Before 11.9(e)(2)</th>
<th>After 11.9(e)(2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Detached Community Facilities/Building</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Carports and/or Garages</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Lead-Based Paint Abatement</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Asbestos Abatement (Rehabilitation Only)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Structured Parking</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Commercial Space Costs</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Other (specify) - see footnote 1</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Subtotal Building Costs

<table>
<thead>
<tr>
<th>Before 11.9(e)(2)</th>
<th>After 11.9(e)(2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$12,453,456</td>
<td>$0</td>
</tr>
</tbody>
</table>

Voluntary Eligible Building Costs (After 11.9(e)(2))§

|                        | $77.99 psf | $4,507,198 |

**TOTAL BUILDING COSTS & SITE WORK**

| (including site amenities) | $14,553,023 | $0 | $6,606,765 |

| Contingency | 5.00% | $727,651 | $0 | $330,338 |

**TOTAL HARD COSTS**

<table>
<thead>
<tr>
<th>OTHER CONSTRUCTION COSTS</th>
<th>%THC</th>
<th>$15,280,674</th>
<th>$0</th>
<th>$6,937,103</th>
</tr>
</thead>
<tbody>
<tr>
<td>General requirements (&lt;6%)</td>
<td>6.00%</td>
<td>916,840</td>
<td>0</td>
<td>416,226</td>
</tr>
<tr>
<td>Field supervision (within GR limit)</td>
<td>2.00%</td>
<td>305,613</td>
<td>138,742</td>
<td></td>
</tr>
<tr>
<td>Contractor overhead (&lt;2%)</td>
<td>6.00%</td>
<td>916,840</td>
<td>416,226</td>
<td></td>
</tr>
<tr>
<td>G &amp; A Field (within overhead limit)</td>
<td>2.00%</td>
<td>305,613</td>
<td>138,742</td>
<td></td>
</tr>
<tr>
<td>Contractor profit (&lt;6%)</td>
<td>6.00%</td>
<td>916,840</td>
<td>416,226</td>
<td></td>
</tr>
</tbody>
</table>

**TOTAL CONTRACTOR FEES**

| $2,139,294 | $0 | $971,194 |

**TOTAL CONSTRUCTION CONTRACT**

| Before 11.9(e)(2) | $17,419,969 | $0 | $7,908,298 |

Voluntary Eligible "Hard Costs" (After 11.9(e)(2))§

| $0.00 psf | $0 | $0 |

---

*To score points under §11.9(e)(2) related to Cost of Development per Square Foot, the Voluntary Eligible Building Costs OR the Voluntary Eligible Hard Costs indicated above must fall within the required thresholds. If voluntary costs are not entered, staff will consider the Subtotal Building Cost or the Total Construction Contract costs, as applicable. Enter score for Building OR Hard Costs at end of form.*
### SOFT COSTS

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount 1</th>
<th>Amount 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Architectural - Design fees</td>
<td>1,229,927</td>
<td>1,229,927</td>
</tr>
<tr>
<td>Architectural - Supervision fees</td>
<td>106,450</td>
<td>106,450</td>
</tr>
<tr>
<td>Engineering fees</td>
<td>235,000</td>
<td>235,000</td>
</tr>
<tr>
<td>Real estate attorney/other legal fees</td>
<td>165,000</td>
<td>165,000</td>
</tr>
<tr>
<td>Accounting fees</td>
<td>35,000</td>
<td>35,000</td>
</tr>
<tr>
<td>Impact Fees</td>
<td>127,670</td>
<td>127,670</td>
</tr>
<tr>
<td>Building permits &amp; related costs</td>
<td>41,800</td>
<td>41,800</td>
</tr>
<tr>
<td>Appraisal</td>
<td>15,000</td>
<td>15,000</td>
</tr>
<tr>
<td>Market analysis</td>
<td>10,000</td>
<td>10,000</td>
</tr>
<tr>
<td>Environmental assessment</td>
<td>10,000</td>
<td>10,000</td>
</tr>
<tr>
<td>Soils report</td>
<td>9,974</td>
<td>9,974</td>
</tr>
<tr>
<td>Survey</td>
<td>20,000</td>
<td>20,000</td>
</tr>
<tr>
<td>Marketing</td>
<td>5,000</td>
<td></td>
</tr>
<tr>
<td>Hazard &amp; liability insurance</td>
<td>90,000</td>
<td>90,000</td>
</tr>
<tr>
<td>Real property taxes</td>
<td>55,000</td>
<td>55,000</td>
</tr>
<tr>
<td>Personal property taxes</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Interior Furnishings</td>
<td>350,000</td>
<td>350,000</td>
</tr>
<tr>
<td>LEED Consultant</td>
<td>65,000</td>
<td>65,000</td>
</tr>
<tr>
<td>Subtotal Soft Cost</td>
<td>$2,570,821</td>
<td>$0</td>
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</table>

### FINANCING:

#### CONSTRUCTION LOAN(S)

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount 1</th>
<th>Amount 2</th>
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<tbody>
<tr>
<td>Interest</td>
<td>684,303</td>
<td>684,303</td>
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<tr>
<td>Loan origination fees</td>
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<td>68,430</td>
</tr>
<tr>
<td>Title &amp; recording fees</td>
<td>195,000</td>
<td>195,000</td>
</tr>
<tr>
<td>Closing costs &amp; legal fees</td>
<td>65,000</td>
<td>65,000</td>
</tr>
<tr>
<td>Inspection fees</td>
<td>75,000</td>
<td>75,000</td>
</tr>
<tr>
<td>Credit Report</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Discount Points</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Other (specify) - see footnote 1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Other (specify) - see footnote 1</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
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#### PERMANENT LOAN(S)

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount 1</th>
<th>Amount 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan origination fees</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Title &amp; recording fees</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Closing costs &amp; legal fees</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Bond premium</td>
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<tr>
<td>Credit report</td>
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<tr>
<td>Discount points</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Credit enhancement fees</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Prepaid MIP</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Other (specify) - see footnote 1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Other (specify) - see footnote 1</td>
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</tbody>
</table>

#### BRIDGE LOAN(S)

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount 1</th>
<th>Amount 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Loan origination fees</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Title &amp; recording fees</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Closing costs &amp; legal fees</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Other (specify) - see footnote 1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Other (specify) - see footnote 1</td>
<td>0</td>
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</tr>
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</table>
### OTHER FINANCING COSTS

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost (0)</th>
<th>Cost (1)</th>
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</thead>
<tbody>
<tr>
<td>Tax credit fees</td>
<td>18,700</td>
<td>0</td>
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<tr>
<td>Tax and/or bond counsel</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Payment bonds</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Performance bonds</td>
<td>164,833</td>
<td>164,833</td>
</tr>
<tr>
<td>Credit enhancement fees</td>
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<td>0</td>
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<tr>
<td>Mortgage insurance premiums</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Cost of underwriting &amp; issuance</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Syndication organizational cost</td>
<td>30,000</td>
<td></td>
</tr>
<tr>
<td>Tax opinion</td>
<td>0</td>
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</tr>
<tr>
<td>Other (specify) - see footnote 1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Other (specify) - see footnote 1</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

**Subtotal Financing Cost**

- **$1,301,266**
- **$0**
- **$1,252,566**

### DEVELOPER FEES

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost (0)</th>
<th>Cost (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Housing consultant fees</td>
<td></td>
<td></td>
</tr>
<tr>
<td>General &amp; administrative</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit or fee</td>
<td>3,010,538</td>
<td>1,759,000</td>
</tr>
</tbody>
</table>

**Subtotal Developer Fees**

- **15.00%**
- **$3,010,538**
- **$0**
- **$1,759,000**

### RESERVES

<table>
<thead>
<tr>
<th>Item</th>
<th>Cost (0)</th>
<th>Cost (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rent-up</td>
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<tr>
<td>Operating</td>
<td></td>
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<tr>
<td>Replacement</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Escrows</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Subtotal Reserves**

- **$453,609**
- **$0**
- **$0**

**TOTAL HOUSING DEVELOPMENT COSTS**

- **$26,056,204**
- **$0**
- **$13,485,685**

*The following calculations are for HTC Applications only.*

**Deduct From Basis:**

- Federal grants used to finance costs in Eligible Basis
- Non-qualified non-recourse financing
- Non-qualified portion of higher quality units §42(d)(5)
- Historic Credits (residential portion only)

<table>
<thead>
<tr>
<th>Category</th>
<th>Cost (0)</th>
<th>Cost (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Eligible Basis</strong></td>
<td>$0</td>
<td>$13,485,685</td>
</tr>
<tr>
<td><strong>High Cost Area Adjustment (100% or 130%)</strong></td>
<td><strong>130%</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Total Adjusted Basis</strong></td>
<td>$0</td>
<td>$17,531,391</td>
</tr>
<tr>
<td><strong>Applicable Fraction</strong></td>
<td></td>
<td>100%</td>
</tr>
<tr>
<td><strong>Total Qualified Basis</strong></td>
<td>$17,531,391</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Applicable Percentage</strong></td>
<td></td>
<td>9.00%</td>
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<tr>
<td><strong>Credits Supported by Eligible Basis</strong></td>
<td>$1,577,825</td>
<td>$0</td>
</tr>
</tbody>
</table>

*11.9(c)(2) Cost Per Square Foot: DO NOT ROUND! Applicants are advised to ensure that figure is not rounding down to the maximum dollar figure to support the elected points.*

**Requested Score for 11.9(e)(2)**

- **12**

**Name of contact for Cost Estimate:** Bobby Rivers, Vice President Construction, Camden Builders

**Phone Number for Contact:** (713) 354-2500

**If a revised form is submitted, date of submission:**

---

Complete the form with the following details:

- **Requested Score for 11.9(e)(2): 12**
- **Name of contact for Cost Estimate:** Bobby Rivers, Vice President Construction, Camden Builders
- **Phone Number for Contact:** (713) 354-2500
## Financing Narrative and Summary of Sources and Uses

Describe all sources of funds. Information must be consistent with the information provided throughout the Application (i.e. Financing Narrative, Term Sheets and Development Cost Schedule).

<table>
<thead>
<tr>
<th>Financing Participants</th>
<th>Funding Description</th>
<th>Construction Period</th>
<th>Permanent Period</th>
<th>Lien Position</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Loan/Equity Amount</td>
<td>Loan/Equity Amount</td>
<td>Interest Rate (%)</td>
</tr>
<tr>
<td>TDHCA</td>
<td>MF Direct Loan Const. to Perm. (Repayable)</td>
<td>$0 0.00%</td>
<td>$ - 0.00%</td>
<td>30 0</td>
</tr>
<tr>
<td>TDHCA</td>
<td>MF Direct Loan Const. Only (Repayable)</td>
<td>$0 0.00%</td>
<td>$ - 0.00%</td>
<td>30 0</td>
</tr>
<tr>
<td>TDHCA</td>
<td>Multifamily Direct Loan (Soft Repayable)</td>
<td>$0 0.00%</td>
<td>$ - 0.00%</td>
<td>0 0</td>
</tr>
<tr>
<td>BBVA Compass</td>
<td></td>
<td>$13,686,068 5.00%</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>National Equity Fund</td>
<td>HTC</td>
<td>$ 1,500,000 $ 1,410,000 $ 14,100,000</td>
<td>0.94</td>
<td></td>
</tr>
<tr>
<td>City of Houston</td>
<td>Local Government Grant</td>
<td>$ 500</td>
<td>$ 500</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>Direct Loan Match</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NHH Sponsor Loan - Charitable Funds</td>
<td>Charitable Fundraising</td>
<td>$ 1,955,704</td>
<td>3</td>
<td>$ 1,955,704 3.00%</td>
</tr>
<tr>
<td>City of Houston via Sponsor Loan</td>
<td>HOME Program</td>
<td>$ 10,000,000</td>
<td>2</td>
<td>$ 10,000,000 0.00%</td>
</tr>
</tbody>
</table>

| Total Sources of Funds | $ 27,052,272 | $ 26,056,204 |
| Total Uses of Funds    |               | $ 26,056,204 |
**INSTRUCTIONS:** Describe the sources of funds that will finance Development. The description must include construction, permanent, and bridge loans, and all other types of funds to be used for development. The information must be consistent with all other documentation in this section. Provide sufficient detail to identify the source and explain the use (in terms of the timing and any specific uses) of each type of funds to be contributed. In addition, describe/explain replacement reserves. Finally, describe/explain operating items. The narrative must include rents, operating subsidies, project based assistance, and all other sources of funds for operations. In the foregoing discussion of both development and operating funds, specify the status (dates and deadlines) for applications, approvals and closings, etc., associated with the commitments.

Describe the sources and uses of funds (specify the status (dates and deadlines) for applications, approvals and closings, etc., associated with the commitments). For Direct Loan or Tax-Exempt Bond Applications that contemplate an FHA-insured loan, this includes the anticipated date that FHA application will be submitted to HUD (if not already submitted).

Please see the attached Finance Narrative detailing charitable sources.

Describe the replacement reserves:

Reserves are calculated at $300 per unit, as required by the City of Houston Housing & Community Development.

Describe the operating items (rents, operating subsidies, project based assistance, etc., and specify the status (dates and deadlines) for applications, approvals and closings, etc., associated with the commitments):

New Hope Housing Dale Carnegie is a proposed Supportive Housing development where the primary resident demographic will be individuals, living on extremely modest incomes, often less than $10K per year. Our objective is to provide high quality housing and supportive services to those displaced by hurricane Harvey, the disabled, veterans, the working poor, youth aging out of foster care, and those exiting homelessness. In serving these vulnerable populations, we aim to keep rents well below their applicable limits, and as often as possible, offer rental subsidies to those without a means to shoulder the full rent. We do this through a combination of Project Based Vouchers (no contract until PIS) and lasting partnerships with social service agencies. All capital sources are expected to close on or before October 31, 2018, and all equity and lender partners have committed to this timeline.

By signing below I acknowledge that the amounts and terms of all anticipated sources of funds as stated above are consistent with the assumptions of my institution as one of the providers of funds.

<table>
<thead>
<tr>
<th>Signature, Authorized Representative, Construction or Permanent Lender</th>
<th>Printed Name</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Telephone:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Email address:</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

If a revised form is submitted, date of submission:
# Financing Narrative and Summary of Sources and Uses

Describe all sources of funds. Information must be consistent with the information provided throughout the Application (i.e. Financing Narrative, Term Sheets and Development Cost Schedule).

<table>
<thead>
<tr>
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<th>Funding Description</th>
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<th>Permanent Period</th>
<th>Lien Position</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Loan/Equity Amount</td>
<td>Interest Rate (%)</td>
<td>Loan/Equity Amount</td>
</tr>
<tr>
<td>Debt</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TDHCA</td>
<td>MF Direct Loan Const. to Perm. (Repayable)</td>
<td>$0</td>
<td>0.00%</td>
<td>$</td>
</tr>
<tr>
<td>TDHCA</td>
<td>MF Direct Loan Const. Only (Repayable)</td>
<td>$0</td>
<td>0.00%</td>
<td>$</td>
</tr>
<tr>
<td>TDHCA</td>
<td>Multifamily Direct Loan (Soft Repayable)</td>
<td>$0</td>
<td>0.00%</td>
<td>$</td>
</tr>
<tr>
<td>TDHCA</td>
<td>Mortgage Revenue Bond</td>
<td>$0</td>
<td>0.00%</td>
<td>$</td>
</tr>
<tr>
<td>Construction Loan</td>
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<td>1</td>
<td></td>
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<tr>
<td>Third Party Equity</td>
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<td></td>
</tr>
<tr>
<td>National Equity Fund</td>
<td>HTC</td>
<td>$1,500,000</td>
<td>$1,410,000</td>
<td>$14,100,000</td>
</tr>
<tr>
<td>Grant</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>City of Houston</td>
<td>Local Government Grant</td>
<td>$500</td>
<td>$500</td>
<td></td>
</tr>
<tr>
<td>Deferred Developer Fee</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>City of Houston via Sponsor Loan</td>
<td>HOME Program</td>
<td>$10,000,000</td>
<td>2</td>
<td>$10,000,000</td>
</tr>
<tr>
<td>Total Sources of Funds</td>
<td>$27,052,272</td>
<td>$26,056,204</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Uses of Funds</td>
<td>$26,056,204</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
INSTRUCTIONS: Describe the sources of funds that will finance Development. The description must include construction, permanent, and bridge loans, and all other types of funds to be used for development. The information must be consistent with all other documentation in this section. Provide sufficient detail to identify the source and explain the use (in terms of the timing and any specific uses) of each type of funds to be contributed. In addition, describe/explain replacement reserves. Finally, describe/explain operating items. The narrative must include rents, operating subsidies, project based assistance, and all other sources of funds for operations. In the foregoing discussion of both development and operating funds, specify the status (dates and deadlines) for applications, approvals and closings, etc., associated with the commitments.

Describe the sources and uses of funds (specify the status (dates and deadlines) for applications, approvals and closings, etc., associated with the commitments). For Direct Loan or Tax-Exempt Bond Applications that contemplate an FHA-insured loan, this includes the anticipated date that FHA application will be submitted to HUD (if not already submitted).

Please see the attached Finance Narrative detailing charitable sources.

Describe the replacement reserves:

Reserves are calculated at $300 per unit, as required by the City of Houston Housing & Community Development.

Describe the operating items (rents, operating subsidies, project based assistance, etc., and specify the status (dates and deadlines) for applications, approvals and closings, etc., associated with the commitments):

New Hope Housing Dale Carnegie is a proposed Supportive Housing development where the primary resident demographic will be individuals, living on extremely modest incomes, often less than $10K per year. Our objective is to provide high quality housing and supportive services to those displaced by hurricane Harvey, the disabled, veterans, the working poor, youth aging out of foster care, and those exiting homelessness. In serving these vulnerable populations, we aim to keep rents well below their applicable limits, and as often as possible, offer rental subsidies to those without a means to shoulder the full rent. We do this through a combination of Project Based Vouchers (no contract until PIS) and lasting partnerships with social service agencies. All capital sources are expected to close on or before October 31, 2018, and all equity and lender partners have committed to this timeline.

By signing below I acknowledge that the amounts and terms of all anticipated sources of funds as stated above are consistent with the assumptions of my institution as one of the providers of funds.

Signature, Authorized Representative, Construction or Permanent Lender

Printed Name

Date

Telephone: 713-966-2325

Email address: ken.aurelia@gmail.com

If a revised form is submitted, date of submission: ____________________
New Hope Housing Dale Carnegie
FINANCING NARRATIVE

Construction Sources - $27,052,272

Construction sources include:
1. Construction Loan in the amount of $13,686,068, provided by BBVA Compass and funded through construction draws (see included term sheet from BBVA Compass),
2. Tax credit equity in the amount of $1,410,000, from National Equity Fund,
3. City of Houston Grant in the amount of $500 to be funded at closing,
4. HOME Program funds in the amount of $10,000,000, from the City of Houston, which will be structured in a loan to the partnership from the recipient, Houston Area Community Development Corporation*, and paid through construction draws, pari passu with the construction loan, and
5. Charitable Contributions that will be loaned to the partnership. The total amount detailed below will be made available to the partnership at closing:
   a. Sponsor Loan at closing $1,955,704*

   *Sponsor loan will fully fund at closing and be held in a controlled account by the lender, the portion unused during construction will be held as collateral against the construction loan

Permanent Sources - $26,056,204

Permanent sources include:
1. Tax credit equity in the amount of $14,100,000, which will in large part be used to pay off the outstanding construction loan at project completion with approximately 20% funded at closing (see equity LOI for installment benchmarks),
2. City of Houston Grant in the amount of $500 to be funded at closing,
3. HOME Program funds in the amount of $10,000,000, from the City of Houston, which will be structured in a loan to the partnership from the recipient, Houston Area Community Development Corporation**, and paid through construction draws, pari passu with the construction loan, and
4. Charitable Contributions that will be loaned to the partnership. The below sources comprise anticipated historical sources and are not comprised of Federal Funds, alongside the application dates. All charitable receipts are expected prior to the proposed development’s Placement in Service:
   a. Houston Endowment $1,200,000 Expected Application Date: Jun-2018
   b. Federal Home Loan Bank $500,000 Expected Application Date: Feb-2019
   c. Brown Foundation $200,000 Expected Application Date: Oct-2018
   d. Source to be determined $55,704

   ANTICIPATED CHARITABLE TOTAL $1,955,704
**Long Term Feasibility & Historical Fundraising Efforts**

Based on historical fundraising and our ongoing fundraising efforts, we fully expect to raise the anticipated sources outlined on the Charitable Contributions source list. New Hope Housing, Inc. ("NHHI") is also prepared to provide an Operating Subsidy, should the project require it. Below is a brief overview of NHHI’s recent fundraising history for operations and services:

<table>
<thead>
<tr>
<th>Fiscal Period</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 01/01/13 - 12/31/13</td>
<td>$917,520</td>
</tr>
<tr>
<td>FY 01/01/14 - 12/31/14</td>
<td>$1,170,963</td>
</tr>
<tr>
<td>FY 01/01/15 - 12/31/15</td>
<td>$1,045,292</td>
</tr>
<tr>
<td>FY 01/01/15 - 12/31/16</td>
<td>$1,076,725</td>
</tr>
<tr>
<td>FY 01/01/15 - 12/31/17</td>
<td>$1,378,165</td>
</tr>
<tr>
<td>AVERAGE ANNUAL OVER 5 YEARS</td>
<td>$1,117,733</td>
</tr>
</tbody>
</table>

**Operating Subsidy Agreement**

New Hope Housing, Inc. has approved an Operating Subsidy Agreement for New Hope Housing Dale Carnegie in an amount sufficient to provide Dale Carnegie SRO, Ltd. (the "Project Owner") funding in an amount sufficient to pay for actual operational and maintenance costs in the first year of operations, with the Operational Subsidy increasing up to 4% per year thereafter, but not to exceed:

- $550 for each and every 280 SF unit per month
- $560 for each and every 308 SF unit per month
- $600 for each and every 360 SF unit per month

**Houston Area Community Development Corporation is a CHDO affiliate of New Hope Housing, and is wholly controlled by New Hope Housing, Inc., the project Guarantor.**
Financial Capacity, Owner Equity, and Appraisal Requirements (Multifamily Direct Loan Applications Only, if applicable) [§13.8(c)(5) and (6)]

**Financial Capacity (10 TAC §13.8(c)(5))**

If the Department’s Direct Loan amounts to more than 50% of the Total Housing Development Cost, except for Developments also financed through the USDA §515 program, the Application **MUST** include:

- A letter from a Third Party CPA verifying the capacity of the Applicant, Developer, or Development Owner to provide at least 10% of the Total Housing Development Cost as a short term loan for Development; **OR**

- Evidence of a line of credit or equivalent tool equal to at least 10% of the Total Housing Development Cost from a financial institution that is available for use during the proposed development activities.

**Owner Equity and Appraisal Requirements (10 TAC §13.8(c)(6))**

If the Direct Loan is the only source of Department funding for the Development (no HTC being requested), the Development Owner **MUST** provide:

- equity in an amount not less than 20% of Total Housing Development Costs; and

- if proposing new construction, an "as completed" appraisal pursuant to 10 TAC §10.304 which results in total repayable loan to value of not greater than 80%; or

- if proposing rehabilitation, the "as is" appraisal required by 10 TAC §10.205(4) may meet this requirement without needing an "as completed" appraisal provided the loan to value is not greater than 80%.

As a result of providing owner equity in an amount greater than 5% of Total Housing Development Costs, the following must be provided in accordance with 10 TAC §10.204(7)(C):

- A letter - not older than 6 months from the date the of Application submission - from a Third Party CPA verifying the capacity of the Development Owner to provide the proposed financing with funds that are not otherwise committed or pledged; and

- A letter - not older than 6 months from the date the of Application submission - from the Development Owner’s bank or banks confirming that such funds are and will remain available at commitment and until the required investment is completed.
## Financing Narrative and Summary of Sources and Uses

Describe all sources of funds. Information must be consistent with the information provided throughout the Application (i.e. Financing Narrative, Term Sheets and Development Cost Schedule).

<table>
<thead>
<tr>
<th>Financing Participants</th>
<th>Funding Description</th>
<th>Construction Period</th>
<th>Permanent Period</th>
<th>Lien Position</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Loan/Equity Amount</td>
<td>Interest Rate (%)</td>
<td>Loan/Equity Amount</td>
</tr>
<tr>
<td>Debt</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TDHCA</td>
<td>MF Direct Loan Const. to Perm. (Repayable)</td>
<td>$0 0.00%</td>
<td>$- 0.00%</td>
<td>30</td>
</tr>
<tr>
<td>TDHCA</td>
<td>MF Direct Loan Const. Only (Repayable)</td>
<td>$0 0.00%</td>
<td>$- 0.00%</td>
<td>0</td>
</tr>
<tr>
<td>TDHCA</td>
<td>Multifamily Direct Loan (Soft Repayable)</td>
<td>$0 0.00%</td>
<td>$- 0.00%</td>
<td>0</td>
</tr>
<tr>
<td>TDHCA</td>
<td>Mortgage Revenue Bond</td>
<td>$0 0.00%</td>
<td>$- 0.00%</td>
<td>0</td>
</tr>
<tr>
<td>Construction Loan</td>
<td></td>
<td>$13,686,068 5.00%</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Third Party Equity</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>National Equity Fund</td>
<td>HTG $1,500,000</td>
<td>$1,420,000</td>
<td>$14,100,000</td>
<td>0.94</td>
</tr>
<tr>
<td>Grant</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>City of Houston</td>
<td>Local Government Grant</td>
<td>$500</td>
<td>$500</td>
<td></td>
</tr>
<tr>
<td>Deferred Developer Fee</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct Loan Match</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NHH Sponsor Loan - Charitable Funds</td>
<td>Charitable Fundraising</td>
<td>$3,455,704 3 0.00%</td>
<td>$3,455,704 3.00%</td>
<td>40</td>
</tr>
<tr>
<td>City of Houston via Sponsor Loan</td>
<td>HOME Program</td>
<td>$8,500,000 2</td>
<td>$8,500,000 0.00%</td>
<td>40</td>
</tr>
<tr>
<td>Total Sources of Funds</td>
<td></td>
<td>$27,052,272</td>
<td>$26,056,204</td>
<td></td>
</tr>
<tr>
<td>Total Uses of Funds</td>
<td></td>
<td>$26,056,204</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Note:** The image contains a table with detailed financing information, including sources, amounts, interest rates, and lien positions. The table is structured to show the sources and uses of funds for a project, with separate sections for debt, third party equity, grants, and other sources. The calculations include loan/equity amounts, interest rates, amortization periods, term years, and syndication rates.
INSTRUCTIONS: Describe the sources of funds that will finance Development. The description must include construction, permanent, and bridge loans, and all other types of funds to be used for development. The information must be consistent with all other documentation in this section. Provide sufficient detail to identify the source and explain the use (in terms of the timing and any specific uses) of each type of funds to be contributed. In addition, describe/explain replacement reserves. Finally, describe/explain operating items. The narrative must include rents, operating subsidies, project based assistance, and all other sources of funds for operations. In the following discussion of both development and operating funds, specify the status (dates and deadlines) for applications, approvals and closings, etc., associated with the commitments.

Describe the sources of funds (specify the status (dates and deadlines) for applications, approvals and closings, etc., associated with the commitments. For Direct Loan or Tax-Exempt Bond Applications that contemplate an FHA-insured loan, this includes the anticipated date that FHA application will be submitted to HUD (if not already submitted).

Please see the attached Finance Narrative detailing charitable sources.

Describe the replacement reserves:

Reserves are calculated at $300 per unit, as required by the City of Houston Housing & Community Development.

Describe the operating items (rents, operating subsidies, project based assistance, etc., and specify the status (dates and deadlines) for applications, approvals and closings, etc., associated with the commitments:

New Hope Housing Dale Carnegie is a proposed Supportive Housing development where the primary resident demographic will be individuals, living on extremely modest incomes, often less than $10K per year. Our objective is to provide high quality housing and supportive services to those displaced by hurricane Harvey, the disabled, veterans, the working poor, youth aging out of foster care, and those exiting homelessness. In serving these vulnerable populations, we aim to keep rents well below their applicable limits, and as often as possible, offer rental subsidies to those without a means to shoulder the full rent. We do this through a combination of Project Based Vouchers (no contract until PIS) and lasting partnerships with social service agencies. All capital sources are expected to close on or before October 31, 2018, and all equity and lender partners have committed to this timeline.

By signing below I acknowledge that the amounts and terms of all anticipated sources of funds as stated above are consistent with the assumptions of my institution as one of the providers of funds.

Signature, Authorized Representative, Construction or Permanent Lender

[Signature]

Telephone: 713-966-2313

Email address: ken.overshiner@hbaa.com

Ken Overshiner

Printed Name

Jason Aldridge, VP

N.E.F.

6/1/18

Date

If a revised form is submitted, date of submission: 6/1/2018
New Hope Housing Dale Carnegie  
FINANCING NARRATIVE

Construction Sources - $27,052,272

Construction sources include:
1. Construction Loan in the amount of $13,686,068, provided by BBVA Compass and funded through construction draws (see included term sheet from BBVA Compass),
2. Tax credit equity in the amount of $1,410,000, from National Equity Fund,
3. City of Houston Grant in the amount of $500 to be funded at closing,
4. HOME Program funds in the amount of $8,500,000, from the City of Houston, which will be structured in a loan to the partnership from the recipient, Houston Area Community Development Corporation*, and paid through construction draws, pari passu with the construction loan, and
5. Charitable Contributions that will be loaned to the partnership. The total amount detailed below will be made available to the partnership at closing:
   a. Sponsor Loan at closing $3,455,704*

* Sponsor loan will fully fund at closing and be held in a controlled account by the lender, the portion unused during construction will be held as collateral against the construction loan

Permanent Sources - $26,056,204

Permanent sources include:
1. Tax credit equity in the amount of $14,100,000, which will in large part be used to pay off the outstanding construction loan at project completion with approximately 20% funded at closing (see equity LOI for installment benchmarks),
2. City of Houston Grant in the amount of $500 to be funded at closing,
3. HOME Program funds in the amount of $8,500,000, from the City of Houston, which will be structured in a loan to the partnership from the recipient, Houston Area Community Development Corporation**,
4. Charitable Contributions that will be loaned to the partnership. The below sources comprise anticipated historical sources and are not comprised of Federal Funds, alongside the application dates. All charitable receipts are expected prior to the proposed development’s Placement in Service:
   a. Houston Endowment $1,200,000 Expected Application Date: Jun-2018
   b. Federal Home Loan Bank $1,500,000 Expected Application Date: Feb-2019
   c. Brown Foundation $200,000 Expected Application Date: Oct-2018
   d. Source to be determined $555,704
ANTICIPATED CHARITABLE TOTAL $3,455,704
**Long Term Feasibility & Historical Fundraising Efforts**

Based on historical fundraising and our ongoing fundraising efforts, we fully expect to raise the anticipated sources outlined on the Charitable Contributions source list. New Hope Housing, Inc. ("NHHI") is also prepared to provide an Operating Subsidy, should the project require it. Below is a brief overview of NHHI’s recent fundraising history for operations and services:

<table>
<thead>
<tr>
<th>Fiscal Period</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 01/01/13 - 12/31/13</td>
<td>$917,520</td>
</tr>
<tr>
<td>FY 01/01/14 - 12/31/14</td>
<td>$1,170,963</td>
</tr>
<tr>
<td>FY 01/01/15 - 12/31/15</td>
<td>$1,045,292</td>
</tr>
<tr>
<td>FY 01/01/16 - 12/31/16</td>
<td>$1,076,725</td>
</tr>
<tr>
<td>FY 01/01/17 - 12/31/17</td>
<td>$1,378,165</td>
</tr>
<tr>
<td>AVERAGE ANNUAL OVER 5 YEARS</td>
<td>$1,117,733</td>
</tr>
</tbody>
</table>

**Operating Subsidy Agreement**

New Hope Housing, Inc. has approved an Operating Subsidy Agreement for New Hope Housing Dale Carnegie in an amount sufficient to provide Dale Carnegie SRO, Ltd. (the “Project Owner”) funding in an amount sufficient to pay for actual operational and maintenance costs in the first year of operations, with the Operational Subsidy increasing up to 4% per year thereafter, but not to exceed:

- $550 for each and every 280 SF unit per month
- $560 for each and every 308 SF unit per month
- $600 for each and every 360 SF unit per month

**Houston Area Community Development Corporation is a CHDO affiliate of New Hope Housing, and is wholly controlled by New Hope Housing, Inc., the project Guarantor.**
INDEPENDENT ACCOUNTANTS’ REPORT
ON APPLYING AGREED-UPON PROCEDURES

New Hope Housing, Inc. and the
Texas Department of Housing and Community Affairs (the “Agency”):

RE: 2018 Application for 9% tax credits
Proposed Name of Project: New Hope Housing Dale Carnegie
Name of Proposed Project Owner: Dale Carnegie SRO, Ltd.

We have performed the procedures enumerated below, which were agreed to by New Hope Housing, Inc. (the “Proposed Member”), and specified by the Texas Department of Housing and Community Affairs (the “Agency”) (together the “Specified Users”), solely to assist you with respect to verifying that the Proposed Member has the capacity to provide capital from funds that are not otherwise committed or pledged, as of February 28, 2018, with respect to the 2018 Application for 9% low-income housing tax credits of New Hope Housing Dale Carnegie (the “Proposed Development”), to be submitted to the Agency. The sole member of NHH at Dale Carnegie, LLC is Houston Area Community Development Corporation, which is controlled by the Proposed Member. NHH at Dale Carnegie, LLC is a to-be-formed entity which will serve as the general partner of Dale Carnegie SRO, Ltd. (the “Development Owner”), which is proposed to be the owner of the Proposed Development. The Proposed Member’s management is responsible for determining that the Proposed Member has the capacity to provide capital from funds that are not otherwise committed or pledged, as of February 28, 2018, with respect to the 2018 Application for 9% low-income housing tax credits of the Proposed Development. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

- We read the 2018 Housing Tax Credit Program Qualified Allocation Plan and Rules for the 2018 Housing Tax Credit Program Application, and determined that the Development Owner is required to submit a letter verifying the capacity of the Proposed Member to provide capital from funds that are not otherwise committed or pledged;
• We obtained the Summary of Sources and Uses of Funds (the “Sources & Uses”). The Sources & Uses indicate the intention of the Proposed Member to provide owner contributions to the Development Owner for the Proposed Development in the amount of $1,955,704 (the “Owner Cash Equity”);
• We obtained a screen shot of the bank balance (the “Statement”) from BBVA Compass for an investment account in the name of the Proposed Member as of February 28, 2018. The balance as of February 28, 2018 (the “Deposit Balance”) was $4,092,982;
• We compared the Deposit Balance to the amount of the Owner Cash Equity. The Deposit Balance as of February 28, 2018 was greater than the amount of the Owner Cash Equity;
• We obtained a letter from BBVA Compass (the “BBVA Letter”) regarding the potential uses of funds included on the Statement. The BBVA Letter confirmed that the Development Owner has the capacity to provide the Deposit Balance in development funding from funds that are not otherwise committed or pledged;
• We obtained an organization chart (the “Organization Chart”) for the Development Owner, which identifies the partners of the Development owner, and the composition of the board of directors of the Proposed Member. From the organization chart, we determined that Karen Gwin is the Treasurer and CFO of the Proposed Member; and
• We obtained representations from Karen Gwin, in her capacity as the Treasurer and CFO of the Proposed Member, regarding the Proposed Member’s intention to provide capital to fund the Proposed Development. Based on those representations we determined that the Proposed Member intends to provide $1,955,704 of Owner Cash Equity to the Development Owner, to be used for the construction and development of the Proposed Development.

Based on the Deposit Balance in the Statement, the Bank Letter, the Organization Chart, and representations from the Proposed Member as to its intended actions, we determined that, as of February 28, 2018, the Proposed Member has the capacity to provide the anticipated Owner Cash Equity of $1,955,704 to the Development Owner for the Proposed Development.

In making the above determinations we relied on the representations made by the Proposed Member as to its intended course of action for the Proposed Development and the sources of funds therein. The final determination of the actual amount of Owner Cash Equity to be provided by the Proposed Member to the Development Owner cannot be made until the Proposed Development has been completed and the sources of funds can be properly evaluated, during the final cost certification process and the application for a final award of IRS Forms 8609.
We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on whether the Proposed Member has the capacity to provide capital from funds that are not otherwise committed or pledged, as of February 28, 2018, related to the 2018 Application for 9% low-income housing tax credits of the Proposed Development. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of by the Proposed Member and the Agency and is not intended to be and should not be used by anyone other than those specified parties.

Novogradac & Company LLP

Austin, Texas
March 1, 2018

Contact person for questions about this report: Susan G. Wilson
Phone# (512) 349-3232
Facsimile# (512) 340-0421
E-Mail: susan.wilson@novoco.com
INDEPENDENT ACCOUNTANTS’ REPORT
ON APPLYING AGREED-UPON PROCEDURES

New Hope Housing, Inc. and the
Texas Department of Housing and Community Affairs (the “Agency”):

RE: 2018 Application for 9% tax credits
Proposed Name of Project: New Hope Housing Dale Carnegie
Name of Proposed Project Owner: Dale Carnegie SRO, Ltd.

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Our procedures and findings are as follows:

- We read the 2018 Housing Tax Credit Program Qualified Allocation Plan and Rules for the 2018 Housing Tax Credit Program Application, and determined that the Development Owner is required to submit a letter verifying the capacity of the Proposed Member to provide capital from funds that are not otherwise committed or pledged;
- We obtained the Summary of Sources and Uses of Funds (the “Sources & Uses”). The Sources & Uses indicate the intention of the Proposed Member to provide owner contributions to the Development Owner for the Proposed Development in the amount of $4,050,000 (the “Owner Cash Equity”);
- We obtained a screen shot of the bank balance (the “Statement”) from BBVA Compass for an investment account in the name of the Proposed Member as of February 28, 2018. The balance as of February 28, 2018 (the “Deposit Balance”) was $4,092,982;
- We compared the Deposit Balance to the amount of the Owner Cash Equity. The Deposit Balance as of February 28, 2018 was greater than the amount of the Owner Cash Equity;
- We obtained a letter from BBVA Compass (the “BBVA Letter”) regarding the potential uses of funds included on the Statement. The BBVA Letter confirmed that the Development Owner has the capacity to provide the Deposit Balance in development funding from funds that are not otherwise committed or pledged;
- We obtained an organization chart (the “Organization Chart”) for the Development Owner, which identifies the partners of the Development owner, and the composition of the board of directors of the Proposed Member. From the organization chart, we determined that Karen Gwin is the Treasurer and CFO of the Proposed Member; and
- We obtained representations from Karen Gwin, in her capacity as the Treasurer and CFO of the Proposed Member, regarding the Proposed Member’s intention to provide capital to fund the Proposed Development. Based on those representations we determined that the Proposed Member intends to provide $4,050,000 of Owner Cash Equity to the Development Owner, to be used for the construction and development of the Proposed Development.

Based on the Deposit Balance in the Statement, the Bank Letter, the Organization Chart, and representations from the Proposed Member as to its intended actions, we determined that, as of February 28, 2018, the Proposed Member has the capacity to provide the anticipated Owner Cash Equity of $4,050,000 to the Development Owner for the Proposed Development.

In making the above determinations we relied on the representations made by the Proposed Member as to its intended course of action for the Proposed Development and the sources of funds therein. The final determination of the actual amount of Owner Cash Equity to be provided by the Proposed Member to the Development Owner cannot be made until the Proposed Development has been completed and the sources of funds can be properly evaluated, during the final cost certification process and the application for a final award of IRS Forms 8609.
New Hope Housing, Inc.  
c/o Joy Horak-Brown  
President and CEO  
1117 Texas Avenue  
Houston, TX 77002

Re: Availability of New Hope Housing, Inc. Funds

Dear Joy,

The purpose of this letter is to confirm the availability of funding pursuant to Section 10.204(7)(C) of the 2018 Texas Department of Housing and Community Affairs (“TDHCA”) Uniform Multifamily Rules (the “Rules”). Please accept this letter as confirmation that New Hope Housing, Inc. has the capacity to provide $4,092,981.66 in development funding from funds that are not otherwise committed or pledged.

Please contact me at 713-966-2303 with any questions.

Sincerely,

Ken Overshiner, Senior Vice President,  
Community Development Capital, Compass Bank
Match Funds (Multifamily Direct Loan Applications Only) [§10.204(7)(E)]

Match in the amount of at least 5% of the Multifamily Direct Loan funds requested must be documented with a letter from the anticipated provider of Match indicating the provider’s willingness and ability to make a financial commitment should the Development receive an award of Multifamily Direct Loan funds. The information provided must be consistent with all other documentation in the Application.

Indicate the amount and source of Match funds in the appropriate spaces in the table below.

Generally, a Related Party contribution to the Development is not considered eligible Match. Please see 10 TAC §13.2(8) as well as the Match Guidance below.

<table>
<thead>
<tr>
<th>Type of Match Pledged</th>
<th>Pledged Amount</th>
<th>Source of Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Federal Grants</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Waived, foregone or deferred fees and charges (ex: debris removal and container fees, tap fees, building permits, other mandatory fees charged by the local municipality)** <strong>CANNOT</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Below Market Interest Rate Loan</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property Tax Abatement</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Donated Non-Professional Labor</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-Federally Funded Infrastructure</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rental Value of Donated Use of Site Preparation or Construction Equipment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Donated Construction Materials</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Donated Site Preparation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Donated Demolition Services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Donated Real Property</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Value of Match Pledged</td>
<td>$ -</td>
<td></td>
</tr>
<tr>
<td>Total Amount of MF Direct Loan funds Requested</td>
<td>$ -</td>
<td></td>
</tr>
<tr>
<td>Percentage of MF Direct Loan Funds to be Matched (Total Value of Match /MF Direct Loan Funds Requested)</td>
<td>#DIV/0!</td>
<td></td>
</tr>
</tbody>
</table>

**CANNOT INCLUDE DEVELOPER FEES**
# Finance Scoring (for Competitive HTC Applications ONLY)

| Self Score Total: 116 |

## 1. Commitment of Development Funding by Local Political Subdivision (§11.9(d)(2))

Name of the Local Political Subdivision providing the funding:

City of Houston

- [X] A letter from an official of the political subdivision stating that the political subdivision will provide a loan, grant, reduced fees or contribution of other value type, and the terms under which it will be provided is in the application.
- [X] The dollar value of the contribution must be in the letter and must equal $500 or more if Urban and $250 or more if Rural or USDA.
- [X] The commitment of development funding is reflected in the Application as a financial benefit to the Development, i.e. reported as a source of funds on the Sources and Uses Form and/or reflected in a lower cost in the Development Cost Schedule, such as notation of a reduction in building permits and related costs.

Total Points Claimed: 1

## 2. Financial Feasibility (§11.9(e)(1))

- [ ] Eligible Pro-Forma and letter stating the Development is financially feasible.
- [X] Eligible Pro-Forma and letter stating Development and Principals are acceptable.

Total Points Claimed: 18

## 3. Leveraging of Private, State, and Federal Resources (§2306.6725(a)(3); §11.9(e)(4))

Percent of Units restricted to serve households at or below 30% of AMGI

HTC funding request as a percent of Total Housing Development Cost

<table>
<thead>
<tr>
<th>Eligibility for points:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Development Leverages CDBG Disaster Recovery, HOPE VI, RAD or Choice Neighborhood Funding</td>
</tr>
<tr>
<td>Housing Tax Credit Request</td>
</tr>
<tr>
<td>Housing Tax Credit Request</td>
</tr>
<tr>
<td>Housing Tax Credit Request</td>
</tr>
</tbody>
</table>

* Be sure no more than 50% of Developer fees are deferred.

Total Points Claimed: 3
ALL SUPPORTING DOCUMENTS MUST BE CONSISTENT WITH THE SOURCES AND USES

<table>
<thead>
<tr>
<th></th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
<td>Executed Pro Forma from Permanent or Construction Lender</td>
</tr>
<tr>
<td>X</td>
<td>Letter from lender regarding approval of Principals (consistent with Template)</td>
</tr>
<tr>
<td>X</td>
<td>Evidence of <strong>all</strong> Permanent and Construction Financing (term sheets, loan agreements)</td>
</tr>
<tr>
<td>X</td>
<td>Evidence of any Gap Financing, terms included</td>
</tr>
<tr>
<td>X</td>
<td>Evidence of any Owner Contributions, with financial support if required</td>
</tr>
<tr>
<td>X</td>
<td>Evidence of Equity Financing (HTC applications only)</td>
</tr>
<tr>
<td>n/a</td>
<td>Letter from Texas Historical Commission (THC) indicating preliminary eligibility for historic (rehabilitation) tax credits and documentation of Certified Historic Structure status as detailed in QAP §11.9(e)(6) was submitted behind TAB 19.</td>
</tr>
<tr>
<td>X</td>
<td>Letter from Local Political Subdivision evidencing a loan, grant, reduced fees or contribution of other value to benefit the Development. [QAP §11.9(d)(2)]</td>
</tr>
<tr>
<td>n/a</td>
<td>Evidence of Rental Assistance/Subsidy</td>
</tr>
</tbody>
</table>
# 15 Year Rental Housing Operating Pro Forma (All Programs)

The pro forma should be based on the operating income and expense information for the base year (first year of stabilized occupancy using today's best estimates of market rents, restricted rents, rental income and expenses), and principal and interest debt service. The Department uses an annual growth rate of 2% for income and 3% for expenses. Written explanation for any deviations from these growth rates or for assumptions other than straight-line growth made during the pro forma period should be attached to this exhibit.

<table>
<thead>
<tr>
<th>INCOME</th>
<th>YEAR 1</th>
<th>YEAR 2</th>
<th>YEAR 3</th>
<th>YEAR 4</th>
<th>YEAR 5</th>
<th>YEAR 10</th>
<th>YEAR 15</th>
</tr>
</thead>
<tbody>
<tr>
<td>POTENTIAL GROSS ANNUAL RENTAL INCOME</td>
<td>$1,054,560</td>
<td>$1,075,651</td>
<td>$1,097,164</td>
<td>$1,119,108</td>
<td>$1,141,490</td>
<td>$1,260,297</td>
<td>$1,391,470</td>
</tr>
<tr>
<td>Secondary Income</td>
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Debt Coverage Ratio

DIV/0!

Other (Describe)

By signing below (we) are certifying that the above 15 Year pro forma, is consistent with the unit rental rate assumptions, total operating expenses, net operating income, and debt service coverage based on the bank's current underwriting parameters and consistent with the loan terms indicated in the term sheet and preliminarily considered feasible pending further diligence review. The debt service for each year maintains no less than a 1.15 debt coverage ratio. (Signature only required if using this pro forma for points under $11.9(e)(1) relating to Financial Feasibility)

---

Ken Overshiner
Printed Name
2/26/2018

Phone: 978-744-5550
Email: jaldrige@netinc.org

Signature, Authorized Representative, Syndicator
# 15 Year Rental Housing Operating Pro Forma (All Programs)

The pro forma should be based on the operating income and expense information for the base year (first year of stabilized occupancy using today’s best estimates of market rents, restricted rents, rental income and expenses), and principal and interest debt service. The Department uses an annual growth rate of 2% for income and 3% for expenses. Written explanation for any deviations from these growth rates or for assumptions other than straight-line growth made during the proforma period should be attached to this exhibit.

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| Debt Coverage Ratio                           | #DIV/O1   | #DIV/O1   | #DIV/O1   | #DIV/O1   | #DIV/O1   | #DIV/O1   | #DIV/O1   |
| Other (Describe)                              |           |           |           |           |           |           |           |
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By signing below I (we) are certifying that the above 15 Year pro forma, is consistent with the unit rental rate assumptions, total operating expenses, net operating income, and debt service coverage based on the bank's current underwriting parameters and consistent with the loan terms indicated in the term sheet and preliminarily considered feasible pending further diligence review. The debt service for each year maintains no less than a 1.15 debt coverage ratio. (Signature only required if using this pro forma for points under §11.9(e)(1) relating to Financial Feasibility)

Signature, Authorized Representative, Construction or Permanent Lender: 
Ken Overshiner  
Printed Name: Ken Overshiner  
Phone: 718-968-2393  
Email: Ken.Overshiner@nyca.com  
Date: 2/26/2018

Signature, Authorized Representative, Syndicator: 
Jason Aldridge  
Printed Name: Jason Aldridge  
Date: 2/26/2018

If a revised form is submitted, date of submission: ________________________
February 26, 2018

New Hope Housing, Inc.
c/o Joy Horak-Brown
President and CEO
1117 Texas Avenue
Houston, TX 77002

Re: New Hope Housing Dale Carnegie, Houston, Texas

Dear Joy,

I have received and reviewed the 15 year pro forma for New Hope Dale Carnegie. The attached 15 year pro forma was prepared by New Hope Housing, Inc., the applicant, and indicates that the development would maintain no less than a 1.15 debt coverage ratio throughout the initial fifteen years of operation following stabilization. The proforma is consistent with the unit rental rate assumptions, total operating expenses, net operating income, and debt service coverage based on the current underwriting parameters of BBVA Compass and consistent with the loan terms indicated in the term sheet. These projections, which indicate that the Development is expected to be feasible for fifteen years, are made based upon the preliminary information provided by the borrower, and are subject to further due diligence review and revision by BBVA Compass.

Additionally, BBVA Compass has performed a preliminary review of the credit worthiness of New Hope Housing, Inc., sole member of general partner for borrower, Dale Carnegie SRO, Ltd. At this time, BBVA Compass has no reservations with any of the Principals or Guarantors of the borrower. We anticipate no additional guarantors or financial strength will be needed to facilitate a loan to this borrower, other than those requirements disclosed herein.

Please be advised that this letter does not represent a commitment by BBVA Compass to provide financing for the Development, nor an offer to commit. Any such commitment would be subject to receipt and satisfactory review of all then-current due diligence materials required by BBVA Compass.

If you should have any questions, please feel free to contact me at 713-966-2303.

Sincerely,

[Signature]

Ken L. Overshiner
Senior Vice President, Community Development Capital
February 28, 2018

New Hope Housing, Inc.
c/o Joy Horak-Brown
President and CEO
1117 Texas Avenue
Houston, TX 77002

Re: New Hope Housing Dale Carnegie, Houston, Texas

Dear Joy,

BBVA Compass Bank (the “Bank”) is pleased to provide you with this Letter of Terms for the Construction financing of the New Hope Housing Dale Carnegie affordable housing project. The following terms and conditions were based upon a preliminary review of the Borrower’s 2018 TDHCA Housing Tax Credit Application:

**Borrower:** Dale Carnegie SRO, Ltd.

**Collateral:** The Subject Loan shall be secured by a first mortgage lien and an assignment of rents and leases on the 170-unit LIHTC project to be located in Houston, Texas. Additionally, the Loan shall be secured by an Assignment of the General Partner Interest and Deferred Developer’s Fee.

**Amount:** Up to $13,686,068. The Loan amount shall be limited to 80% of the LIHTC Investment Value, which is the combined value of the Tax Credits plus the stabilized value of the Real Estate based upon an Appraisal acceptable to the Bank.

**Interest Rate:** 1 month Libor + 2.75%. Interest-only payments shall be due monthly. The Bank has used an underwriting rate of 5.00%.

**Fees:** .50% Origination Fee. Additionally, the Borrower shall be responsible for the reimbursement of other costs related to the extension of this loan including, but not limited to: appraisal fees, the Bank’s legal fees, environmental and other third party review fees.

**Maturity:** Twenty-four (24) Months from Closing with a six month extension at Bank’s option.

**Guarantee:** Full payment and completion guarantees and environmental indemnity by New Hope Housing, Inc.

**Tax Credit Equity:** Approximately $14,100,000. Equity pay in schedule and investor must be acceptable to BBVA Compass.
Repayment: Construction loan will be repaid from equity funded at completion or after completion, along with the permanent loan (if any).

Loan to Value: Up to 80% including the value of the real estate and tax credits.

Conditions to Closing:

- Borrower, Managing Member, and Guarantor certify that there are no defaults, no material litigation and no material adverse change in the financial or project information provided to Bank in connection with the Loan request
- Receipt, review and approval of appraisal, environmental assessment, construction consultant and other third party reports
- Contractor shall be acceptable to bank
- All documentation satisfactory to Bank and its legal counsel
- Evidence of a commitment by a tax credit investor acceptable to Bank for the acquisition of 9% low income housing tax credits on terms, including pay-in schedule amounts and timing, acceptable to Bank.
- All subsidy funds must be committed and closed simultaneously with the closing of the Loan.
- Final project budget to be approved by Bank, including a 5% hard cost contingency.
- Receipt of all required municipal and other governmental approvals.
- Approval of current financial statements of the Guarantor.
- Borrower counsel opinion in form and content satisfactory to Bank.
- Mortgage title insurance policy insuring the bank’s lien shall contain no objectionable liens, including matters of the survey
- Bank shall receive and approve the following items prior to the closing of the construction loan:
  - Final plans and specs stamped by architect
  - Copy of executed construction contract and final budget
  - Copy of builders risk policy with Compass Bank named as loss payee
  - Copy of executed limited partnership and syndication agreements
- All terms subject to market fluctuation

Unless extended by the Bank at its sole discretion, the preliminary terms contained in this proposal shall automatically expire December 31, 2018, and are subject to receipt, review and acceptance of all due diligence materials by BBVA Compass. BBVA Compass cannot issue a legally binding lending commitment until formal credit approval has been obtained.

BBVA Compass wishes to thank you for the opportunity to provide financing for this project. If you have any questions, please feel free to contact me at 713-966-2303.

Sincerely,

Ken L. Overshiner
Senior Vice President, Community Development Capital

BBVA Compass is a trade name of Compass Bank, a member of the BBVA Group. Compass Bank, Member FDIC.
February 16, 2018

Dale Carnegie SRO, Ltd.
1117 Texas Avenue
Houston, TS 77002

Re: New Hope Housing at Dale Carnegie

Attention: Ms. Joy Horak-Brown

In response to your request for financing for your proposed development, New Hope Housing at Dale Carnegie ("the property"); we are pleased to provide you with this acknowledgement of receipt and disclosure of terms and conditions by the Housing and Community Development Department of the City of Houston ("the City"). This letter contains an outline of terms only. This letter does not represent a commitment by the City or create any obligation whatsoever on the City’s part as it has not received approval by city council.

ADDRESS: Southeast Corner of Dale Carnegie Lane and Regency Square Blvd, Houston TX 77036

PURPOSE: To provide permanent term gap financing towards the new construction of a 170-unit affordable supportive housing development.

AMOUNT: The loan requested is $10,000,000.

LOAN TERM: The loan term will be for a 20-year period that will include a 24-month construction period. As a supportive housing development, the loan balance will be payable at maturity and may be forgiven subject to successful completion of certain performance requirements.

LOAN RATE: The rate will be equal to 0.0%.

SUPPORTIVE HOUSING: As a supportive housing development, the project is anticipated to set aside greater than 25% of its units for individuals with a disability.

The City will close the Request for Proposals for its multifamily program on March 30th, 2018 and will make its recommendations of awards by April 30th, 2018. Afterwards, the recommended applications will be underwritten and submitted for city council approval. The City is aware the applicant’s TDHCA Housing Tax Credit application has elected to close its financing by no later than October 30, 2018.

Sincerely,

Ray S. Miller
Executive Staff Analyst
Summary of Awards - 2018 Multifamily Request for Proposal (9% Transactions)

RFP Overview

HCDD utilizes federal and local funding to finance affordable multifamily developments within the City of Houston. HCDD periodically issues Requests for Proposals (RFPs) to secure financing proposals to invest in affordable housing developments. On January 2, 2018, HCDD issued an RFP to secure these proposals which closed on March 30, 2018. A total of 34 applications were received. HCDD disqualified six applications which did not meet its threshold review for various reasons.

Scoring Methodology

A total of 28 applications were scored using criteria outlined within the RFP. The scores were determined by an interdepartmental panel and were consolidated. The scores provided by the panel were used to prioritize applications in line with HCDD’s priorities. Applications not selected for an award were rejected primarily due to a determination by the committee it not meeting an HCDD priority or an attempt to limit geographic concentration of affordable housing.

Available Financing

For 2018, HCDD will administer awards of approximately $41 million of HOME, CDBG, CDBG-DR2 and TIRZ funding allocated to finance multifamily affordable housing developments.

Multifamily Priorities

Outlined in the RFP, HCDD identified six initiatives that are stated within its 2018 Multifamily Priorities that include:

- New construction, reconstruction or renovation within Complete Communities
- New construction, reconstruction or renovation within an existing defined Concerted Revitalization Area
- New construction, reconstruction or renovation within High Opportunity areas
- Preserving existing affordable housing stock
- Permanent Supportive Housing
- Transit Oriented Developments

2018 HCDD Awardees (9% Transactions)

HCDD is aware of the timing considerations for applications submitted for 9% Housing Tax Credits (HTCs) with the Texas Department of Housing and Community Affairs and prioritized its first round of awards specifically to 9% HTC transactions. HCDD is still evaluating applications submitted with 4% or other sources and will make its announcements shortly.

Please note the transactions listed below have not been underwritten by HCDD and allocation amount may vary at the time of city council approval. In addition, award type may shift during underwriting depending on availability of funds. Please see below for an initial list of recipients.
In addition, the RFP notified applicants that HCDD will accept potential projects that may revitalize neighborhoods affected by Hurricane Harvey. While HCDD has not received any disaster recovery funding and is still developing its action plan, the department has identified transactions that may potentially serve as replacements housing for disaster impacted areas.

The following project will need further evaluation to ensure it meets HCDD, GLO and HUD requirements for disaster funding. However, it is identified as a potentially eligible transaction when Harvey disaster recovery funding is received or if existing 9% transactions that do not receive 9% HTCs are eliminated from consideration by the TDHCA.

<table>
<thead>
<tr>
<th>Development</th>
<th>Developer(s)</th>
<th>Total Units</th>
<th>Council District</th>
<th>HCDD Priority</th>
<th>Award Amount</th>
<th>Award Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Camponile on Commerce</td>
<td>Kilday Realty</td>
<td>120</td>
<td>H</td>
<td>Complete Communities Second Ward</td>
<td>$3,500,000</td>
<td></td>
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</tbody>
</table>

Please note HCDD is still undergoing evaluations for its remaining allocations and will provide a full notification of awards shortly.
Controller's Office

To the Honorable Mayor and City Council of the City of Houston:

I hereby certify, with respect to the money required for the contracts, agreements, obligation or expenditure contemplated by the ordinance set out below that:

( ) Funds have been encumbered out of funds previously appropriated for such purpose.

( ) Funds have been certified and designated to be appropriated by separate ordinance to be approved prior to the approval of the ordinance set out below.

( ) Funds will be available out of current or general revenue prior to the maturity of any such obligation.

( ) No pecuniary obligation is to be incurred as a result of approving the ordinance set out below.

( ) That the money required for the expenditure or expenditures specified below is in the treasury, in the fund or funds specified below, and is not appropriated for any other purposes.

1. ☑ A certificate with respect to the money required for the expenditure or expenditures specified below is attached hereto and incorporated hereby by this reference.

2. ☑ Other - Grant Funds Available

Date: 11-17-2018

City Controller of the City of Houston

City of Houston, Texas, Ordinance No. 2018 - 838

AN ORDINANCE APPROPRIATING $1,100,000.00 OUT OF THE HOMELESS AND HOUSING CONSOLIDATED FUND; APPROVING AND AUTHORIZING AN AGREEMENT BETWEEN THE CITY OF HOUSTON AND HOUSTON AREA COMMUNITY DEVELOPMENT CORPORATION TO PROVIDE THE APPROPRIATED FUNDS AND
$7,400,000.00 OF FEDERAL “HOME” FUNDS TO ASSIST WITH THE SITE ACQUISITION, DEVELOPMENT AND CONSTRUCTION OF A SINGLE ROOM OCCUPANCY FACILITY, TO BE LOCATED IN THE VICINITY OF 7025 REGENCY SQUARE BOULEVARD IN HOUSTON, TEXAS, THAT WILL PROVIDE AFFORDABLE HOUSING TO LOW AND VERY LOW INCOME HOUSEHOLDS; CONTAINING FINDINGS AND OTHER PROVISIONS RELATING TO THE FOREGOING SUBJECT; AND DECLARING AN EMERGENCY.

* * * *

WHEREAS, the City Council of the City of Houston ("City Council") finds that Dale Carnegie SRO, Ltd., a Texas limited partnership, ("Owner"), whose general partner is NHH at Dale Carnegie, LLC, a Texas limited liability company, whose sole member is Houston Area Community Development Corporation, a Texas nonprofit corporation, ("Recipient") desires to acquire the site and construct a 170 unit single room occupancy facility ("Facility"), located in the vicinity of 7025 Regency Square Boulevard, Houston, Harris County, Texas, that will provide affordable housing to low and very low-income households; and

WHEREAS, the City Council finds that Recipient seeks funds in the amount of $8,500,000.00, consisting of $1,100,000.00 out of the Homeless and Housing Consolidated Fund ("Housing Fund"), and $7,400,000.00 of federal HOME Investment Partnership funds ("HOME Funds"), to be applied toward approved costs for the Owner's acquisition of the site, architectural and engineering services, building permits and construction of the Facility; and

WHEREAS, the City Council finds that in consideration of and subject to the terms and conditions of the financial assistance sought to be provided by the City pursuant to this Ordinance, Recipient and Owner have agreed that 51 of the units in the Facility shall be made subject to certain occupancy, rent and affordability requirements; and

WHEREAS, the City Council finds that the remaining units in the Facility shall also be made subject to certain occupancy, rent and affordability requirements; and

WHEREAS, the City Council finds that it is desirable for the City to enter a performance-based loan agreement ("Agreement"), in substantially the form attached as Exhibit "A", to provide to Recipient $1,100,000.00 from the Housing Fund and $7,400,000.00 of HOME Funds, to be applied toward approved costs for the Owner's acquisition of the site, architectural and engineering services, building permits and construction of the Facility; and

WHEREAS, the City Council finds that the Facility will provide housing to low and very low-income households and that site acquisition, architectural and engineering fees, building permits and costs of construction of the Facility are among the authorized uses to which HOME Funds and amounts in the Housing Fund may be applied; and
WHEREAS, the City Council finds that it is desirable to appropriate $1,100,000.00 out of the Housing Fund and to provide $7,400,000.00 of HOME Funds to be applied to fund the Agreement; and

WHEREAS, the City is acting pursuant to the authority of Chapters 373 and/or 374 of the Local Government Code; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HOUSTON, TEXAS:

Section 1. That the findings and recitals contained in the preamble of this Ordinance are determined to be true and correct and are hereby adopted as part of this Ordinance.

Section 2. That the City Council hereby appropriates the sum of money set out in the title of this Ordinance, out of the fund set out in such title for the purpose or purpose set out in such title.

Section 3. That the City Council hereby approves and authorizes the contracts, agreements, and other undertakings described in the title of this Ordinance, in substantially the form as shown in the documents which are attached hereto and incorporated herein by this reference. The Mayor is hereby authorized to execute such documents and all related documents on behalf of the City of Houston. The City Secretary is hereby authorized to attest to all such signatures and to affix the seal of the City to all such documents. The City Attorney is hereby authorized to take all action necessary to enforce legal obligations under said contract without further authorization from City Council.

Section 4. That there exists a public emergency requiring that this Ordinance be passed finally on the date of its introduction as requested in writing by the Mayor; therefore, this Ordinance shall be passed finally on such date and shall take effect immediately upon its passage and approval by the Mayor; however, in the event that the Mayor fails to sign this Ordinance within five days after its passage and adoption, it shall take effect in accordance with Article VI, Section 6, Houston City Charter.

PASSED AND ADOPTED this 17th day of October, 2018.

APPROVED this 17th day of October, 2018.

Mayor of the City of Houston

Pursuant to Article VI, Section 6, Houston City Charter, the effective date of the foregoing Ordinance is ________________.

City Secretary

- 3 -
(Prepared by Legal Dept.  
(RFB 10/7/2018)  Senior Assistant City Attorney

(Requested by Tom McCasland, Director, Housing and Community Development Department)
(L.D. File No. 0291800711001)

<table>
<thead>
<tr>
<th>AYE</th>
<th>NO</th>
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<thead>
<tr>
<th>MAYOR TURNER</th>
<th>COUNCIL MEMBERS</th>
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<td>STARDIG</td>
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<td>DAVIS</td>
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<td>ABBSENT</td>
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<td>ROBINSON</td>
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<td>KUBOSH</td>
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<td>EDWARDS</td>
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<td>CHRISTIE</td>
</tr>
</tbody>
</table>

CAPTION PUBLISHED IN DAILY COURT REVIEW: OCT 23 2018
CERTIFICATE OF CITY CONTROLLER

I, Chris Brown, City Controller of the City of Houston, Texas, pursuant to Article II, Section 19a of the Charter of the City of Houston, with respect to the sum of $1,100,000.00 required for the project referenced in the title of this ordinance, do hereby certify as follows:

To the extent that the $1,100,000.00 will be paid by commercial paper proceeds, funds will be received into the treasury and available before the maturity of said obligation, and such anticipated funds have not already been appropriated for any other purpose. Such sum will be received as a cash draw(s) to the City of Houston pursuant to the General Obligation Commercial Paper Ordinance, Ordinance No. 93-1149.

[Signature]
City Controller

[Handwritten Signature Added]
February 19, 2018

Joy Horak-Brown
Dale Carnegie SRO, Ltd.
1117 Texas Avenue
Houston, TX 77002

RE: Conditional Grant Commitment
TDHCA Application no. 18137
Dale Carnegie

Dear Ms. Horak-Brown:

This letter represents the Housing and Community Development Department’s conditional grant commitment to support eligible pre-development costs for the above referenced property subject to the terms and conditions listed below. The City of Houston (“City”) affirms and attests that any funds herein committed were not first provided to the City by the applicant, the developer, consultant, related party, or any individual or entity acting on behalf of the proposed applicant.

1. APPLICANT: Dale Carnegie SRO, Ltd.
2. TOTAL GRANT AMOUNT: $500
3. COMMITMENT CANCELLATION: This commitment shall be deemed cancelled and void upon the event of any of the following: a) withdrawal of the application by applicant, or b) upon TDHCA’s termination or cancellation, if any, of the application or subsequent tax credit award letter, or c) failure to receive a 2018 award of tax credits from TDHCA

Please indicate your acceptance and agreement with the above terms and conditions by executing this letter agreement below. Please return the original to me and keep a copy for your records. This commitment shall remain in effect for no more than 30 days from the above date unless it is accepted and fully executed by all parties within that 30-day period. Beyond that expiration date this commitment shall be null and void. This commitment shall not be transferable or assignable by the applicant or to any other party.
Should you have any questions, please do not hesitate to call.

CITY OF HOUSTON
HOUSING & COMMUNITY DEVELOPMENT DEPARTMENT

By: Ray Miller, Executive Staff Analyst

ACCEPTED AND AGREED:

Dale Carnegie SRO, Ltd.

By: Joy Horak-Brown

Name: Joy Horak-Brown

President & CEO
New Hope Housing Inc.
HACDC

Date: 2/19/2018
February 28, 2018

Ms. Joy Horak-Brown, CEO
Houston Area Community Development Corp.
1117 Texas Ave.
Houston, TX  77002

Re: New Hope Housing Dale Carnegie

Dear Ms. Horak-Brown:

On behalf of National Equity Fund, Inc. ("NEF"), I am pleased to provide this Letter of Intent ("Letter") which outlines the principal business terms of our proposed investment in the above-named Project. We invest through our affiliate, NEF Assignment Corporation ("Assignment Corporation"), by purchasing a [99.99%] interest in the Limited Partnership formed to own and operate the Project. When we refer to "NEF," we mean National Equity Fund, Inc. and its affiliates, including without limitation Assignment Corporation. As a preliminary matter, I will note that the terms of this Letter are based on certain assumptions which are incorporated in corresponding TDHCA application. Changes in those assumptions may result in changes to the terms of our proposed investment.

Upon your acceptance of this Letter, we will begin our standard due diligence activities. Upon successful completion of our due diligence and receipt of internal approvals, we will prepare a Limited Partnership Agreement, based on our current model form ("Limited Partnership Agreement"), and related closing agreements. These agreements will incorporate the terms appearing in this Letter, subject to any modifications that may be required to obtain final investment approval. We will then proceed to close this investment. NEF is aware of the Readiness to Proceed requirements included in the 2018 QAP and intends to close this transaction by October 31, 2018. NEF has reviewed the following completed due diligence as of the issuance of this letter:
1. The financial feasibility of the Project including the review of a market study and site location;
2. The financial capacity of the Guarantors;
3. The financial capacity and experience of the general contractor;
4. Complete construction contract;
5. Survey and title commitment
6. Architectural drawings, and
7. Site feasibility study
1. **Property Information**

The Project consists of a proposed LIHTC, multifamily community which will consist of 170 units for tenants with special needs located in Houston, TX. All units will be set aside for families with incomes at or below 60% of Area Median Income.

2. **Property Ownership**

Limited Partnership: Dale Carnegie SRO, Ltd. (the “Limited Partnership”)

General Partner: NHH at Dale Carnegie, LLC, which will be 100% owned by Houston Area Community Development Corporation.

Sponsor/Developer: New Hope Housing, Inc./Houston Area Community Development Corporation

Guarantor(s): New Hope Housing, Inc., Houston Area Community Development Corporation, and NHH at Dale Carnegie, LLC. These entities have been reviewed by NEF.

Limited Partner: One or more investor funds, limited partnerships or limited liability companies of which NEF or its affiliate is the general partner or managing member, or Assignment Corporation, as nominee, on behalf of one or more such entities.

3. **Project Financing**

   A. **Construction Loan.** The Limited Partnership expects to receive a construction loan term sheet or commitment for the Project of approximately $13,686,068 for an initial term of at least 24 months and a 6 month extension at an estimated 5.0% interest rate.

   B. **Permanent Financing.** The permanent financing on the project is as follows: (All loans are non-recourse loans, unless otherwise noted, and all financing structures must be acceptable to NEF.)

<table>
<thead>
<tr>
<th>Lender</th>
<th>Lender/Source</th>
<th>Amount</th>
<th>Interest Rate</th>
<th>Term</th>
<th>Amort</th>
<th>Hard/Soft Debt</th>
<th>Available During Const. (y/n)</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Mortgage</td>
<td>City of Houston</td>
<td>$10,000,000</td>
<td>0.0%</td>
<td>40</td>
<td>N/A</td>
<td>Soft</td>
<td>Yes</td>
</tr>
<tr>
<td>Second Mortgage</td>
<td>NHH Loan</td>
<td>$1,955,704</td>
<td>3.0%</td>
<td>40</td>
<td>40</td>
<td>Soft</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Permanent amortizing debt must be a fixed-rate commitment for a minimum of 16 years with terms acceptable to NEF.
4. **Timing Assumptions**

This Letter is based on the following timing assumptions:

<table>
<thead>
<tr>
<th>Benchmark</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Limited Partnership Closing</td>
<td>10/31/18</td>
</tr>
<tr>
<td>Construction Start</td>
<td>10/31/18</td>
</tr>
<tr>
<td>Placed In Service Date</td>
<td>10/1/20</td>
</tr>
<tr>
<td>100% Qualified Occupancy</td>
<td>9/1/21</td>
</tr>
<tr>
<td>Stabilized Occupancy</td>
<td>12/1/21</td>
</tr>
</tbody>
</table>

If these timing assumptions are not met, the terms of our proposed investment are subject to change. The term “Tax Credit Compliance Period” means, for each building in the Project, the 15 taxable years beginning with the first taxable year of the ‘Credit Period’, as defined in Section 42 of the Internal Revenue Code, as amended (“Code”).

5. **Tax Credit Price and Pay-In Schedule**

The Limited Partner will purchase the Tax Credits described in Paragraph 6 for a total purchase price of $14,100,000 (“Capital Contributions”), or **$0.94** cents for each $1.00 of projected Tax Credits. Proceeds of the Capital Contributions will be used to fund Project equity (“Project Equity”) and the non-deferred portion of the Developer Fee (“Non-Deferred Developer Fee”). NEF will advance Project Equity and the Non-Deferred Developer Fee in installments, based upon its determination that the conditions specified in the Limited Partnership Agreement for payment of that installment (“Applicable Conditions”) have been met. We make this determination based on our review and approval of certain documents you provide to us. Equity disbursements during construction are expected to be made through the construction lender’s escrow or, if there is no construction lender, through a title company using a disbursement agreement acceptable to NEF. We currently expect installments of Project Equity will be paid according to the schedule below. The schedule identifies some of the Applicable Conditions that will apply to each payment.

A. **First Installment**: $1,410,000 (10.0%). The Applicable Conditions for this payment will include satisfactory evidence or approval of:

   (i) Admission of NEF to the Limited Partnership and commencement of construction.
B. **Second Installment**: $9,165,000 (65%). The Applicable Conditions for this payment will include satisfactory evidence or approval of:

(i) Completion of 100% of Project construction;
(ii) Temporary (or, if available, Final) Certificates of Occupancy;
(iii) Architect’s certification indicating that all the work has been completed substantially in accordance with plans and specifications;
(iv) Satisfaction of the 10% Carryover Allocation requirements (if not addressed at Closing);
(v) Owner’s title insurance policy in final form;
(vi) Architect’s certification indicating that all the work has been completed substantially in accordance with plans and specifications;
(vii) Draft Cost Certification verifying the Tax Credit basis;

C. **Third Installment**: $2,820,000 (20%). The Applicable Conditions for this payment will include satisfactory evidence or approval of:

(i) 100% Qualified Occupancy of all Project Tax Credit Units;
(ii) Funding of the Project’s permanent loan and receipt of executed permanent loan documents in approved form;
(iii) Payment of any amounts required by the General Partner’s Development Completion Guaranty;
(iv) Achievement of Stabilized Occupancy (generally defined as at least 90% occupancy with an Expense Coverage Ratio of 1.05x or better for a three consecutive month period after construction completion).
(vi) Completion of any outstanding punch list items;
(vii) Owner’s date down title insurance coverage;
(viii) “As-Built” ALTA survey;
(ix) Final lien waivers from the General Contractor;
(x) If applicable, receipt (or evidence of filing) of real estate tax abatement;
(xi) Final Certificates of Occupancy, if not previously provided;
(xii) Final Cost Certification verifying the Tax Credit basis;
(xiii) Funding of Project reserves (or funding with the proceeds of this installment) at the required levels;
(xiv) If applicable, satisfaction of radon testing requirements;
(xv) Recorded Extended Use Agreement; and
$453,609 of this installment will be used to fund the Operating Reserve
D. **Fourth Installment**: $705,000 (5%). The Applicable Conditions for this payment will include satisfactory evidence or approval of:

(i) The first year’s tax return and K-1;
(ii) Fully executed Form 8609 for all Project buildings; and

6. **Developer Fee**

The Developer will earn a fee for development services in the total amount of $3,010,538 (the “Developer Fee”). None of the Developer Fee is projected to be deferred. If for some unforeseen reason a portion of the Developer Fee is deferred it will be payable from cash received from the operation of the Limited Partnership, after payment of debt service and operating expenses (“Cash Flow”), during the Tax Credit Compliance Period. Any principal balance and/or accrued interest on the Deferred Developer Fee remaining unpaid by the end of the eleventh (11th) year of the Tax Credit Compliance Period must be paid in full by the General Partner. Developer fee will be funded as follows: 25% at Closing, 25% at Construction Completion, 40% at Stabilization, and 10% at 8609s.

7. **Reserve Requirements**

A. **Operating Reserve.** $453,609, will be funded from a portion of the Limited Partner’s Capital Contributions. The General Partner will be permitted to use funds in the Operating Reserve account prior to any draw on its Operating Deficit Guaranty obligation. We approve all withdrawals from the Operating Reserve account. This Operating Reserve account remains with the Limited Partnership through the Tax Credit Compliance Period and any funds in the account at the end of that period will be distributed according to the priorities identified for Sale/Refinancing proceeds under Paragraph 13 hereof.

B. **Replacement Reserve.** The General Partner must fund the Replacement Reserve account in the annual amount of $300 per unit per year (to be increased annually by 3% per annum from Project revenues throughout the Tax Credit Compliance Period. We must approve withdrawals that in the aggregate during any calendar year exceed the lesser of (i) $5,000 or (ii) ten percent (10%) of the amount then remaining in the Replacement Reserve account. Any funds remaining in the Replacement Reserve account at the end of the Tax Credit Compliance Period will be distributed according to the priorities identified for Sale/Refinancing proceeds under Paragraph 13 hereof.
8. **General Partner Guaranties and Other Obligations**

   **A. Development Completion Guaranty.** Guarantors will provide an unlimited guarantee of development completion which includes payments required for construction completion, funding of any operating deficits prior to Stabilized Occupancy, and conversion of the construction loan to a right-sized permanent loan having debt service requirements consistent with targeted debt service coverage levels. The General Partner will provide monthly reports to us during construction. The general contractor will provide (i) either a Stipulated Sum Contract or a Guaranteed Maximum Price Contract (using the current AIA form of agreement), and (ii) either a letter of credit equal to 15% of the total construction cost or a 100% payment and performance bond.

   **B. Operating Deficit Guaranty.** Guarantors will provide an Operating Deficit Guaranty in the amount of $453,609 until the Project has maintained a 1.05 annual Expense Service Coverage Ratio for two consecutive years after the third anniversary of the date Stabilized Occupancy is achieved. If at the end of that period the Operating Reserve is not funded at the level specified in Paragraph 10.B above, the Operating Deficit Guaranty will remain in effect until the General Partner causes the Operating Reserve to be funded at the required level in the manner provided in the Limited Partnership Agreement.

   **C. Repurchase.** Guarantors are required to repurchase the Limited Partner’s interest if certain major adverse events occur that threaten the continuing viability of the Project or its ability to generate the projected Tax Credits. The conditions triggering this repurchase obligation and the repurchase amount are described in detail in the Limited Partnership Agreement.

   **D. Environmental Indemnification.** Guarantors will provide an environmental indemnification with regard to the presence of any hazardous substances or the existence of other environmental conditions at the Project Property. Our standard environmental indemnification provisions are contained in the Limited Partnership Agreement.

   **Guaranty of General Partner’s Obligations.** The Guarantor(s) (jointly and severally if there is more than one) will guaranty full performance of all of the General Partner’s obligations under the Limited Partnership Agreement, including the specific guaranty obligations described under this Paragraph 11. All guaranties provided by the General Partner and Guarantor(s) are joint and several and payments under these guaranties will be made as no-interest loans to the Limited Partnership.
9. **Limited Partner Transfers**

The Limited Partner will have certain rights to transfer its interest in the Limited Partnership, including the right to withdraw from the Limited Partnership at any time after the Limited Partner has satisfied its obligation to pay Capital Contributions and the right to put its interest to the General Partner upon the expiration of the Tax Credit Compliance Period.

10. **Reports**

During the term of our investment, the General Partner will provide the following reports: (i) quarterly management and financial reports for the Limited Partnership, (ii) state and federal tax returns, (iii) monthly construction status and lease-up reports, (iv) copies of all construction loan draw requests, (v) annual audited financial statements for the Limited Partnership prepared in accordance with generally accepted accounting principles (GAAP), (vi) annual budget, and (vii) other information regarding significant Limited Partnership operations. The General Partner is required to submit such reports to the Limited Partner within the time frames established by the Limited Partnership Agreement. The fiscal year of the Limited Partnership will be the calendar year unless otherwise specified by us.

11. **Limited Partner Expenses**

We will charge the Limited Partnership $52,000 for legal fees and other closing costs inclusive of the NEF tax opinion. We may require a third party construction inspector to provide monthly reports to us. If a third party construction inspector is needed, the cost will be added to the Project budget.

12. **Model Form Project Limited Partnership Agreement**

The Limited Partnership Agreement will be prepared by our attorneys using our current model form agreement. The model form contains a variety of key terms that define the rights and obligations of the parties. This document is updated on a periodic basis in response to comments we receive from investors.
13. **Summary**

This Letter summarizes the general terms and conditions of our investment which will be further detailed in the Limited Partnership Agreement. If these terms are acceptable to you, please sign and return this Letter to:

Jason Aldridge  | Vice President of Originations  
NATIONAL EQUITY FUND ®  
5332 Longview St  
Dallas, TX 75206  
Phone (972) 741-5150

This Letter is valid until August 31, 2018 with an LPA closing no later than October 31, 2018. If this Letter is not signed by you prior to such date due to changes in market conditions or other assumptions on which this Letter is based, we will extend the date so long as you continue to work with us in good faith to restructure the transaction in a mutually satisfactory manner. We reserve the right to terminate this Letter at any time if we determine that such efforts are not likely to lead to a result reasonably satisfactory to us within a reasonable period of time not to exceed sixty (60) days from the date of this Letter.

By signing this Letter, and in consideration of the cost and expense incurred or to be incurred by us in conducting due diligence documentation and review, the Sponsor/General Partner hereby grants NEF or its affiliate the right to acquire a 99.99% interest in the Limited Partnership and the exclusive right to syndicate the Tax Credits generated by the Project. Our exclusive right to syndicate the tax credits shall continue until the earlier of (i) the date that occurs two years from the date of this letter or (ii) the date on which we agree in writing to terminate its exclusive right to syndicate the Tax Credits. Also, by executing this Letter you hereby authorize us to make any credit inquiries that we may deem necessary as part of its underwriting. These credit inquiries may be performed on the General Partner, Sponsor/Developer, Guarantors, or any other entities as determined to be necessary by us.

As next steps, we will perform a site visit and conduct document review and other due diligence activities to verify the information that has been provided and will be provided and the assumptions contained in the Projections. Our ability to recommend this proposed investment for final internal approval will depend upon a satisfactory outcome to these due diligence activities. Final internal approval requires action by our Investment Review Committee. If the committee grants approval, we will prepare the Limited Partnership Agreement and discuss with you and your attorneys all closing documentation and checklist items. This Investment Review Committee must approve this investment and the closing must occur by the date shown in Paragraph 5 above. We reserve the right to terminate this Letter if we determine that any of the conditions described in this paragraph have not or will not be met in a timely manner.
Upon receipt of this Letter executed by you, NEF will continue its due diligence on the Project investment. At your request, we may engage outside counsel to draft documents and conduct legal reviews prior to approval of this transaction by our Investment Review Committee, on the condition that you assume responsibility for payment of our legal fees if the transaction is not approved or does not close due to a change of assumptions incorporated in the Projections or other reasons outside of NEF’s control.
We look forward to working with you and your organization on this important affordable housing project in your community.

Sincerely,

NATIONAL EQUITY FUND, INC.

[Signature]

Jason Aldridge, Vice President

Accepted:

By: [Signature]
DATE: 3/1/2018
February 24, 2018

Ms. Joy Horak-Brown
President and CEO
Houston Area Community Development Corporation
1117 Texas Avenue
Houston, Texas 77002

Re: Commitment of 10,000,000 Loan to Dale Carnegie SRO, Ltd.

Dear Ladies and Gentlemen:

We are pleased to inform you that Houston Area Community Development Corporation ("Lender") has approved a loan in an amount not to exceed $10,000,000 (the “Loan”) to Borrower (hereinafter defined), subject to the following described terms and conditions:

**LOAN TERMS SUMMARY**

<table>
<thead>
<tr>
<th>Borrower:</th>
<th>Dale Carnegie SRO, Ltd.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount:</td>
<td>$10,000,000</td>
</tr>
<tr>
<td>Term of Loan:</td>
<td>40 years</td>
</tr>
<tr>
<td>Interest Rate:</td>
<td>0%</td>
</tr>
<tr>
<td>Payment Terms:</td>
<td>No payments required during the term of the loan. Balloon payment will be required at maturity. The Loan is subject to compliance with all applicable affordability standards and other compliance requirements during the term of the loan. The loan is not forgivable.</td>
</tr>
<tr>
<td>Additional Requirements:</td>
<td>Applicable compliance standards of U.S. Dept. of HUD and the City of Houston.</td>
</tr>
<tr>
<td>Personal Liability:</td>
<td>The Loan shall be nonrecourse as to Borrower and its partners.</td>
</tr>
</tbody>
</table>
The acceptance of this commitment letter shall be indicated by Borrower's signature below.

THE PARTIES HERETO EXPRESSLY ACKNOWLEDGE AND AGREE THAT, WITH REGARD TO THE SUBJECT MATTER OF THIS COMMITMENT LETTER AND THE TRANSACTIONS CONTEMPLATED HEREIN (1) THERE ARE NO ORAL AGREEMENTS BETWEEN THE PARTIES HERETO AND (2) THIS COMMITMENT LETTER, INCLUDING THE DEFINED TERMS AND ALL EXHIBITS AND ADDENDA, IF ANY, ATTACHED HERETO, (a) EMBODIES THE FINAL AND COMPLETE AGREEMENT BETWEEN THE PARTIES; (b) SUPERSEDES ALL PRIOR AND CONTEMPORANEOUS NEGOTIATIONS, OFFERS, PROPOSALS, AGREEMENTS, COMMITMENTS, PROMISES, ACTS, CONDUCT, COURSE OF DEALING, REPRESENTATIONS, STATEMENTS, ASSURANCES, AND UNDERSTANDINGS, WHETHER ORAL OR WRITTEN; AND (c) MAY NOT BE VARIED OR CONTRADICTED BY EVIDENCE OF ANY SUCH PRIOR OR CONTEMPORANEOUS MATTER OR BY EVIDENCE OF ANY SUBSEQUENT ORAL AGREEMENT OF THE PARTIES HERETO.

HOUSTON AREA COMMUNITY DEVELOPMENT CORPORATION, a Texas nonprofit corporation

By: [Signature]
Name: Joy Horak-Brown
Title: President & CEO

Accepted:

DALE CARNEGIE SRO, LTD., a Texas limited partnership
By: NHH at Dale Carnegie, LLC, its general partner

By: Houston Area Community Development Corporation, its sole member

By: [Signature]
Name: Joy Horak-Brown
Title: President & CEO
May 31, 2018

Ms. Joy Horak-Brown  
President and CEO  
Houston Area Community Development Corporation  
1117 Texas Avenue  
Houston, Texas 77002

Re: Commitment of $8,500,000 Loan to Dale Carnegie SRO, Ltd.

Dear Ladies and Gentlemen:

We are pleased to inform you that Houston Area Community Development Corporation ("Lender") has approved a loan in an amount not to exceed $8,500,000 (the “Loan”) to Borrower (hereinafter defined), subject to the following described terms and conditions:

**LOAN TERMS SUMMARY**

<table>
<thead>
<tr>
<th><strong>Borrower:</strong></th>
<th>Dale Carnegie SRO, Ltd.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Amount:</strong></td>
<td>$8,500,000</td>
</tr>
<tr>
<td><strong>Term of Loan:</strong></td>
<td>40 years</td>
</tr>
<tr>
<td><strong>Interest Rate:</strong></td>
<td>0%</td>
</tr>
<tr>
<td><strong>Payment Terms:</strong></td>
<td>No payments required during the term of the loan. Balloon payment will be required at maturity. The Loan is subject to compliance with all applicable affordability standards and other compliance requirements during the term of the loan. The loan is not forgivable.</td>
</tr>
<tr>
<td><strong>Additional Requirements:</strong></td>
<td>Applicable compliance standards of U.S. Dept. of HUD and the City of Houston.</td>
</tr>
<tr>
<td><strong>Personal Liability:</strong></td>
<td>The Loan shall be nonrecourse as to Borrower and its partners.</td>
</tr>
</tbody>
</table>
The acceptance of this commitment letter shall be indicated by Borrower's signature below.

THE PARTIES HERETO EXPRESSLY ACKNOWLEDGE AND AGREE THAT, WITH REGARD TO THE SUBJECT MATTER OF THIS COMMITMENT LETTER AND THE TRANSACTIONS CONTEMPLATED HEREIN (1) THERE ARE NO ORAL AGREEMENTS BETWEEN THE PARTIES HERETO AND (2) THIS COMMITMENT LETTER, INCLUDING THE DEFINED TERMS AND ALL EXHIBITS AND ADDENDA, IF ANY, ATTACHED HERETO, (a) EMBODIES THE FINAL AND COMPLETE AGREEMENT BETWEEN THE PARTIES; (b) SUPERSEDES ALL PRIOR AND CONTEMPORANEOUS NEGOTIATIONS, OFFERS, PROPOSALS, AGREEMENTS, COMMITMENTS, PROMISES, ACTS, CONDUCT, COURSE OF DEALING, REPRESENTATIONS, STATEMENTS, ASSURANCES, AND UNDERSTANDINGS, WHETHER ORAL OR WRITTEN; AND (c) MAY NOT BE VARIED OR CONTRADICTED BY EVIDENCE OF ANY SUCH PRIOR OR CONTEMPORANEOUS MATTER OR BY EVIDENCE OF ANY SUBSEQUENT ORAL AGREEMENT OF THE PARTIES HERETO.

HOUSTON AREA COMMUNITY DEVELOPMENT CORPORATION, a Texas nonprofit corporation

By:
Name: Joy Horak-Brown
Title: President & CEO

Accepted:

DALE CARNEGIE SRO, LTD., a Texas limited partnership
By: NHH at Dale Carnegie, LLC, its general partner

By: Houston Area Community Development Corporation, its sole member

By:
Name: Joy Horak-Brown
Title: President & CEO
February 28, 2018

Ms. Joy Horak-Brown  
President and CEO  
Houston Area Community Development Corporation  
1117 Texas Avenue  
Houston, Texas 77002  

Re: Commitment of $1,955,704 Loan to Dale Carnegie SRO, Ltd.

Dear Ladies and Gentlemen:

We are pleased to inform you that Houston Area Community Development Corporation ("Lender") has approved a loan in the amount of $1,955,704 (the “Loan”) to Borrower (hereinafter defined), subject to the following described terms and conditions:

**LOAN TERMS SUMMARY**

<table>
<thead>
<tr>
<th><strong>Borrower:</strong></th>
<th>Dale Carnegie SRO, Ltd.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Amount:</strong></td>
<td>$1,955,704</td>
</tr>
<tr>
<td><strong>Term of Loan:</strong></td>
<td>40 years</td>
</tr>
<tr>
<td><strong>Interest Rate:</strong></td>
<td>3%</td>
</tr>
<tr>
<td><strong>Payment Terms:</strong></td>
<td>No payments required during the term of the loan. Balloon payment may be required at maturity. Subject to compliance with all applicable affordability standards and other compliance requirements during the term of the loan. The loan is forgivable and comprised of private donations, not Federal funds.</td>
</tr>
<tr>
<td><strong>Personal Liability:</strong></td>
<td>The Loan shall be nonrecourse as to Borrower and its partners.</td>
</tr>
</tbody>
</table>
The acceptance of this commitment letter shall be indicated by Borrower's signature below.

THE PARTIES HERETO EXPRESSLY ACKNOWLEDGE AND AGREE THAT, WITH REGARD TO THE SUBJECT MATTER OF THIS COMMITMENT LETTER AND THE TRANSACTIONS CONTEMPLATED HEREIN (1) THERE ARE NO ORAL AGREEMENTS BETWEEN THE PARTIES HERETO AND (2) THIS COMMITMENT LETTER, INCLUDING THE DEFINED TERMS AND ALL EXHIBITS AND ADDENDA, IF ANY, ATTACHED HERETO, (a) EMBODIES THE FINAL AND COMPLETE AGREEMENT BETWEEN THE PARTIES; (b) SUPERSEDES ALL PRIOR AND CONTEMPORANEOUS NEGOTIATIONS, OFFERS, PROPOSALS, AGREEMENTS, COMMITMENTS, PROMISES, ACTS, CONDUCT, COURSE OF DEALING, REPRESENTATIONS, STATEMENTS, ASSURANCES, AND UNDERSTANDINGS, WHETHER ORAL OR WRITTEN; AND (c) MAY NOT BE VARIED OR CONTRADICTED BY EVIDENCE OF ANY SUCH PRIOR OR CONTEMPORANEOUS MATTER OR BY EVIDENCE OF ANY SUBSEQUENT ORAL AGREEMENT OF THE PARTIES HERETO.

HOUSTON AREA COMMUNITY DEVELOPMENT CORPORATION, a Texas nonprofit corporation

By: Joy Horak-Brown
Title: President & CEO

Accepted:

DALE CARNEGIE SRO, LTD., a Texas limited partnership
By: NHH at Dale Carnegie, LLC, its general partner

By: Houston Area Community Development Corporation, its sole member

By: Joy Horak-Brown
Title: President & CEO
May 31, 2018

Ms. Joy Horak-Brown  
President and CEO  
Houston Area Community Development Corporation  
1117 Texas Avenue  
Houston, Texas 77002

Re: Commitment of $3,455,704 Loan to Dale Carnegie SRO, Ltd.

Dear Ladies and Gentlemen:

We are pleased to inform you that Houston Area Community Development Corporation ("Lender") has approved a loan in the amount of $3,455,704 (the “Loan”) to Borrower (hereinafter defined), subject to the following described terms and conditions:  

**LOAN TERMS SUMMARY**

**Borrower:** Dale Carnegie SRO, Ltd.

**Amount:** $3,455,704

**Term of Loan:** 40 years

**Interest Rate:** 3%

**Payment Terms:** No payments required during the term of the loan. Balloon payment may be required at maturity. Subject to compliance with all applicable affordability standards and other compliance requirements during the term of the loan. The loan is forgivable and comprised of private donations, not Federal funds.

**Personal Liability:** The Loan shall be nonrecourse as to Borrower and its partners.
The acceptance of this commitment letter shall be indicated by Borrower's signature below.

THE PARTIES HERETO EXPRESSLY ACKNOWLEDGE AND AGREE THAT, WITH REGARD TO THE SUBJECT MATTER OF THIS COMMITMENT LETTER AND THE TRANSACTIONS CONTEMPLATED HEREIN (1) THERE ARE NO ORAL AGREEMENTS BETWEEN THE PARTIES HERETO AND (2) THIS COMMITMENT LETTER, INCLUDING THE DEFINED TERMS AND ALL EXHIBITS AND ADDENDA, IF ANY, ATTACHED HERETO, (a) EMBODIES THE FINAL AND COMPLETE AGREEMENT BETWEEN THE PARTIES; (b) SUPERSEDES ALL PRIOR AND CONTEMPORANEOUS NEGOTIATIONS, OFFERS, PROPOSALS, AGREEMENTS, COMMITMENTS, PROMISES, ACTS, CONDUCT, COURSE OF DEALING, REPRESENTATIONS, STATEMENTS, ASSURANCES, AND UNDERSTANDINGS, WHETHER ORAL OR WRITTEN; AND (c) MAY NOT BE VARIED OR CONTRADICTED BY EVIDENCE OF ANY SUCH PRIOR OR CONTEMPORANEOUS MATTER OR BY EVIDENCE OF ANY SUBSEQUENT ORAL AGREEMENT OF THE PARTIES HERETO.

HOUSTON AREA COMMUNITY DEVELOPMENT CORPORATION, a Texas nonprofit corporation

By: [Signature]
Name: Joy Horak-Brown
Title: President & CEO

Accepted:

DALE CARNEGIE SRO, LTD., a Texas limited partnership
By: NHH at Dale Carnegie, LLC, its general partner

By: Houston Area Community Development Corporation, its sole member

By: [Signature]
Name: Joy Horak-Brown
Title: President & CEO
February 24, 2018

Dale Carnegie SRO, Ltd.
1117 Texas Avenue
Houston, Texas 77002

RE: NEW HOPE HOUSING DALE CARNEGIE OPERATIONAL SUBSIDY

Ladies and Gentlemen:

We are pleased to inform you that New Hope Housing, Inc., a Texas nonprofit corporation; (“NHHI”) has approved the following subsidy payments (the “Operational Subsidy”) for the operation and maintenance of NHHI Housing at Dale Carnegie (the “Project”). NHHI hereby commits to provide to Dale Carnegie SRO, Ltd. (the “Project Owner”) funding in an amount sufficient to pay for normal operations and maintenance of the Project, not to exceed:

- $550 for each and every 280 SF unit per month
- $560 for each and every 308 SF unit per month
- $600 for each and every 360 SF unit per month

NHHI will increase the amount thereafter based on actual expenses as necessary for normal operation and maintenance of the Project. NHHI will provide the Operational Subsidy to the Project Owner pursuant to its commitment letter of even date herewith.

The Operational Subsidy will be subject to the following described terms and conditions:

**TERMS SUMMARY**

<table>
<thead>
<tr>
<th>Project Owner:</th>
<th>Dale Carnegie SRO, Ltd.</th>
</tr>
</thead>
</table>

| Conditions: | Operational Subsidy payments will be conditioned upon: (i) the Project Owner’s receiving for the Project an allocation of Housing Tax Credits from the Texas Department of Housing and Community Affairs (“TDHCA”); (ii) the closing of Housing Tax Credit financing from a tax credit investor/syndicator on or before December 31, 2016; and (iii) the completion of construction of the Project. |
**Subsidy Amount:** From time to time the Project Owner and NHHI will agree upon a base amount of monthly Operational Subsidy necessary for the normal operation and maintenance of the Project, as budgeted by the Project Owner for the ensuing year. The base amount of the Operational Subsidy shall not exceed:

- $550 for each and every 280 SF unit per month
- $560 for each and every 308 SF unit per month
- $600 for each and every 360 SF unit per month

NHHI will increase the amount thereafter up to 4% per year based on actual expenses as necessary for normal operation and maintenance of the Project. NHHI will not subsidize the Project in excess of the amount required.

**Payment Dates:** Operational Subsidy payments will be payable on the first day of the month following the Placed in Service date, and on the first date of each calendar month thereafter. Should the Project fail to receive Housing Tax Credit financing, or should the Project fail to be Placed in Service, then no Operational Subsidy payments will be owed.

**Purpose of Subsidy:** Operational Subsidy for operational and maintenance costs of the Project.

**Term:** The Operational Subsidy payments will continue each month for fifteen (15) years following the Place In Service date, and shall be renewable thereafter in five (5) year extension periods.

**Adjustments:** From time to time throughout the term of this Operational Subsidy, the monthly base Operation Subsidy payment may be adjusted pursuant to a written agreement between NHHI and the Project Owner.

**Cooperation:** NHHI intends to use funding from various sources in order to fund the Operational Subsidy payments described herein. NHHI and the Project Owner shall agree to cooperate in developing and implementing standards to insure that the Project facility and the services provided at the Project meet or exceed the requirements of funding sources.
THE PARTIES HERETO EXPRESSLY ACKNOWLEDGE AND AGREE THAT, WITH REGARD TO
THE SUBJECT MATTER OF THIS COMMITMENT LETTER AND THE TRANSACTIONS
CONTEMPLATE HEREIN (1) THERE ARE NO ORAL AGREEMENTS BETWEEN THE PARTIES
HERETO AND (2) THIS COMMITMENT LETTER, INCLUDING THE DEFINED TERMS AND ALL
EXHIBITS AND ADDENDA, IF ANY, ATTACHED HERETO, (a) EMBODIES THE FINAL AND
COMPLETE AGREEMENT BETWEEN THE PARTIES; (b) SUPERSEDES ALL PRIOR AND
CONTEMPORANEOUS NEGOTIATIONS, OFFERS, PROPOSALS, AGREEMENTS, COMMITMENTS,
PROMISES, ACTS, CONDUCT, COURSE OF DEALING, REPRESENTATIONS, STATEMENTS,
ASSURANCES, AND UNDERSTANDINGS, WHETHER ORAL OR WRITTEN; AND (c) MAY NOT BE
VARIED OR CONTRADICTED BY EVIDENCE OF ANY SUCH PRIOR OR CONTEMPORANEOUS
MATTER OR BY EVIDENCE OF ANY SUBSEQUENT ORAL AGREEMENT OF THE PARTIES
HERETO.

The acceptance of this commitment letter shall be indicated by Borrower’s signature below.

NEW HOPE HOUSING, INC., a Texas nonprofit corporation

By: ______________________
     Joy Horak-Brown
     President & CEO

Accepted:

Dale Carnegie SRO, Ltd., a Texas limited partnership (to be formed)

By: NHH at Dale Carnegie, LLC, its General Partner

By: Houston Area Community Development Corporation., its Sole Member

By: ______________________
     Joy Horak-Brown, President and CEO
CERTIFIED RESOLUTION
OF THE BOARD OF DIRECTORS OF
NEW HOPE HOUSING, INC.
NEW HOPE HOUSING DALE CARNEGIE (REGENCY SQUARE)

New Hope Housing, Inc., a Texas nonprofit corporation ("New Hope"), by action of its Board of Directors duly taken and effective February 23, 2018, has adopted the following resolution:

WHEREAS, Houston Area Community Development Corporation, an affiliate of New Hope, has formed NHH at Dale Carnegie, LLC, sole general partner of Dale Carnegie SRO, Ltd., for the purpose of providing affordable housing specifically through the construction and operation of New Hope Housing Dale Carnegie (Regency Square); and

WHEREAS, Dale Carnegie SRO, Ltd. is seeking funds from the Texas Department of Housing and Community Affairs ("TDHCA") for the construction of New Hope Housing Dale Carnegie (Regency Square); and

WHEREAS, TDHCA has projected a potential operating shortfall by New Hope Housing Dale Carnegie (Regency Square) over the 30-year affordability period; and

WHEREAS, New Hope has been successfully fundraising for many years and has averaged approximately $1,000,000 in operating and services funds per year for the past six years and expects to continue its fundraising efforts in the future; and

WHEREAS, New Hope is irrevocably committed, as guarantor of Dale Carnegie SRO, Ltd., to take all necessary actions to ensure the financial feasibility and viability of New Hope Housing Dale Carnegie (Regency Square); it is hereby

RESOLVED, that New Hope, in its capacity as guarantor of Dale Carnegie SRO, Ltd., pledges to take all requisite actions to secure sufficient funds to cover any operating shortfall through organizational fundraising, including without limitation foundation grants and charitable contributions.

IN WITNESS WHEREOF, the undersigned certifies that this resolution has been duly adopted and remains in full force and effect as of this 23rd day of February 2018.

__________________________________________
Emily Abeln
Secretary
New Hope Housing, Inc.
Sponsor Characteristics (Competitive HTC Only)

Pursuant to §11.9(b)(2) of the Qualified Allocation Plan, an Application may qualify to receive up to two (2) points provided the ownership structure meets one of the following requirements in parts 1 OR 2 below;

1. Application is attempting to score as a Qualified Nonprofit or certified HUB with ownership interest and material participation and meets the criteria below:
   - Yes: If attempting to score as a Qualified Nonprofit, Application is applying under the Nonprofit Set-Aside
   - No: If attempting to score as a certified HUB, evidence of the HUB’s existence from the Texas Comptroller of Accounts is provided behind this Tab
   - Yes: The Qualified Nonprofit or certified HUB has some combination of ownership interest, cash flow from operations, and developer fee which taken together equal at least 50% and no less than 5% for any category.
     - Ownership Interest: 100.00%
     - Cash flow from operations: 100.00%
     - Developer Fee: 100.00%
     - Total: 300.00%
   - Yes: The Qualified Nonprofit or certified HUB will materially participate in the Development and the operation of the Development throughout the Compliance Period. A detailed narrative describing how that material participation will be achieved is included.
   - Yes: The Qualified Nonprofit or certified HUB has experience directly related to the housing industry. Mark all that apply and provide a detailed narrative describing experience in each category:
     - Property Management
     - Construction
     - Development
     - Financing
     - Compliance
   - Yes: No Principals of the Qualified Nonprofit or HUB are related Parties to any other Principals of the Applicant or Developer.
   - Yes: Evidence of experience in the housing industry and a statement regarding material participation are provided behind this tab.

   Points Claimed: 2

2. Application is attempting to score as a participating Nonprofit or certified HUB and meets the criteria below:
   - Yes: A certified HUB will participate in Development Services or provide onsite tenant services, and evidence of the HUB’s existence from the Texas Comptroller of Accounts is provided behind this Tab.
   - Yes: A Nonprofit will participate in Development Services or provide onsite tenant services, and evidence from a state or federal source of the organization’s nonprofit status is provided behind this Tab.
   - Yes: No Principals of the HUB or Nonprofit are related Parties to any other Principal of the Applicant or Developer.
   - Yes: HACDC, a Texas nonprofit, is a CHDO affiliate of New Hope Housing, Inc., a Texas nonprofit
   - Yes: Evidence of experience in the provision of Development Services or in the provision of on-site tenant services as well as a detailed narrative describing how the HUB or Nonprofit will provide such services must be included behind this tab.

   Points Claimed: 1

Total Points Claimed: 2
NONPROFIT MATERIAL PARTICIPATION PLAN

Background

Dale Carnegie SRO, Ltd. a Texas limited partnership (the “Partnership”), will own and operate a housing tax credit residential rental project located in the City of Houston, Harris County, Texas, to be known as New Hope Housing Dale Carnegie (the “Project”). NHH at Dale Carnegie, LLC, a Texas limited liability company (“General Partner”) will serve as a general partner of the Partnership. Houston Area Community Development Corporation, a Texas nonprofit corporation (“Developer”), will enter into a development agreement with the Partnership to provide development services for the Project. Houston Area Community Development Corporation is a 501(c)(3) nonprofit corporation that will materially participate in the development and operation of the Project, and will receive allocations of ownership interests, cash flow, and developer fee for the Project.

This Material Participation Plan sets forth the role of the NONPROFIT in the development and operation of the Project, as well as the shares of ownership interests, developer fee, and cash flow to be allocated to the NONPROFIT.

Material Participation

During the Compliance Period as defined in Section 42(i) of the Internal Revenue Code (the “Code”), the NONPROFIT (or its successor) shall materially participate in the development and operation of the Project. The NONPROFIT shall devote such time and effort as necessary to assist the Developer in the development of the Project and such time and effort as necessary to operate the Project. During the development of and throughout the Compliance Period for the Project, the NONPROFIT shall maintain its 501(c)(3) status with the Internal Revenue Service.

1. Development of the Project. The NONPROFIT will engage in the following activities during the development phase of the Project:

   (i) make decisions regarding the design of the Project;

   (ii) review the Project’s plans and specifications;

   (iii) select architect, contractor, and other development team members for the development and construction of the Project;
2. **Construction of the Project**  The NONPROFIT shall engage in the following activities during the construction phase of the Project:

   (i) Review, approve and submit construction loan draw requests to the construction lender;

   (ii) attend construction progress meetings with the contractor and/or subcontractors;

   (iii) review, approve or deny, and submit to the financing sources any change orders;

   (iv) review any approve or deny any changes to the Project completion schedule;

   (v) attend meetings with sources of financing, including the construction lender.

3. **Operation of the Project.**  The NONPROFIT will materially participate in all aspects of operating the Project throughout the Compliance Period, including the following services:

   (i) determine the housing needs of low income families, and the manner in which the Project can be developed in a cost-effective manner to serve such needs;

   (ii) coordinate with local service agencies, including housing authorities, welfare and social services departments, churches and other organizations operating for the purpose of assisting low-income families, and advise such agencies about the availability of the Project as desirable housing for low-income families, and promote and encourage such agencies to refer potential residents to the Project;

   (iii) consider ways in which the availability of the Project as suitable housing for low income families may be made more widely known in the community;

   (iv) obtain information from and consult with low income tenants in the Project as to services which might be provided to such tenants by the Partnership;
(v) obtain information from and consult with residents concerning social and educational services from the community which might be provided at the Project;

(vi) ensure that the Project is developed and operated as a low-income housing project in accordance with Section 42 of the Code and in compliance with TDHCA rules and regulations;

(vii) determine rental rates to charge tenants in compliance with Section 42 of the Code and in compliance with TDHCA rules and regulations;

(viii) secure funding for the Project;

(ix) supervise the management agent for the overall day-to-day management of the Project;

(x) review and approve the annual operating budget for the Project;

(xi) approve or deny expenditures, including operating expenses and capital expenditures;

(xii) review any changes to the Project’s marketing plan or management plan; and

(xiii) cause the General Partner to perform all of its duties as set forth in the partnership agreement with the equity investor.

Ownership, Cash Flow, and Developer Fee

The share of ownership by the NONPROFIT will be 100% of the general partner interest in the Partnership. The overall ownership interests in the Partnership will be 99.99% by the investor limited partner and 0.01% by General Partner.

The share of cash flow from operations to be allocated to the NONPROFIT will be all of the general partner’s share of cash flow. The general partner will be allocated 90% of cash flow, with the investor limited partner likely to be allocated 10% of cash flow.

The NONPROFIT’s share of the developer fee will be 100%.

In no event will the combination of ownership, cash flow from operations, and developer fee shares be less than 80%. In no event will the percentage share for each of these categories (ownership, cash flow, developer fee) be less than 5%.
Conclusion

The NONPROFIT will materially participate in major decisions regarding the development, construction, and operation of the Project. The Partnership will allocate ownership interests in the general partner, cash flow shares, and developer fee splits to the NONPROFIT that total at least 80%. The share for each of these categories will be at least 5%. At all times the NONPROFIT will materially participate and obtain meaningful compensation in the Project. A resume for the NONPROFIT is attached to this Material Participation Plan.

Dale Carnegie SRO, Ltd., a Texas limited partnership
By: Dale Carnegie SRO, LLC, its general partner
    By: Houston Area Community Development Corporation, a Texas nonprofit corporation, its sole member

By: [Signature]

Joy Horak-Brown, President & CEO
NEW HOPE HOUSING, INC. & HACDC
SUMMARY OF SERVICE TO HOUSTON, TEXAS

Houston Area Community Development Corporation (HACDC), a nonprofit CHDO subsidiary of New Hope Housing, Inc., provides life-stabilizing, affordable, permanent housing with support services for people who live on very limited incomes. Our vision is to be an enduring institution serving Houston’s most vulnerable citizens. Our mission is to stabilize lives through high quality affordable Housing + Services.

A Proven Debt-Free Business Model
New Hope Housing/HACDC is recognized as having established the model for single room occupancy (SRO) housing in the State of Texas. We implement the highest management standards of the private sector multifamily industry at all our properties. Meticulous standards of property design, landscape, maintenance and repair are imperative to protect the investment of donors and the fiscal integrity of each property. This formula is an integral part of our business model and is the standard of operation at all of our properties and in the corporate office. We have also brought this standard to our first project serving families at New Hope Housing Reed, slated to open in early 2018.

Our proven business model means that we can efficiently replicate developing debt-free SRO housing that operates in the black. This model allows us to offer Houston’s lowest SRO rental rate (~$500/month, including free utilities, cable television access, and social services) with rental income covering building operating costs and a long-term replacement reserve.

Innovative Access to Funding Sources
NHHI/HACDC has funded the new construction of our eighth and ninth developments – New Hope Housing Reed and New Hope Housing Harrisburg. Financing totaling more than $60MM was assembled through a public/private partnership, including 4% Low Income Housing Tax Credits and Private Activity Bonds; significant funding from the City of Houston; and private contributions from area foundations, corporations, churches and individuals.

NHHI’s accomplishments to date speak to the organization’s strengths. In the past several years we have:

1) Offered nearly 1,000 units of high quality permanent, supportive, affordable SRO housing to Houston’s low-income individuals, many who ultimately move to market-rate housing or reconnect with family.

2) Strengthened our Resident Services Program by forming additional important collaborations with area social service providers – such as Star of Hope, SEARCH and Houston Area Community Services (HACS) – to help meet the demand of our growing resident population and to maximize grant dollars/avoid duplicating services.

3) Opened Rittenhouse, our third LEED for Homes certified multifamily housing community, and our seventh affordable housing property. Rittenhouse joins Perry and Sakowitz in achieving LEED platinum. LEED certification has become the standard at our future developments, and we anticipate certification for both New Hope Housing at
Reed and New Hope Housing at Harrisburg, which are just now nearing construction completion. We anticipate that our green features will result in lower energy and maintenance costs, which will allow New Hope to continue offering life-stabilizing quality housing at a rental rate well below market.

4) Maintained a continuous development cycle to assist the City of Houston in meeting established housing priorities. For example, just as Rittenhouse opened we began developing NHH at Harrisburg, a mixed-use transit oriented development, and NHH at Reed, supportive housing for families.

5) Continued to adhere to our debt-free business model, which allows us to maintain affordable rents to serve Houston’s low-income adult population. Upon achieving stabilized occupancy, New Hope communities are self-sustaining and operate in the black, with rental rates covering building operations and a long-term maintenance reserve.

The organization’s near-term and long-range goals and initiatives are:

1. Complete construction of Reed, our first project serving families, by the second quarter of 2018;
2. Complete construction of Harrisburg, our first mixed-use, transit-oriented development by February 2018;
3. Continue to expand the organization’s mission to include mixed income housing; and to serve other vulnerable and at-risk citizens, such as families at the lower end of the economic workforce, seniors and veterans.
4. Enhance our Resident Services Program through continued collaboration with social service and healthcare providers to meet the needs of our ever-growing population.

Significant Achievements
Since inception we have offered high quality supportive, affordable SRO housing to more than 9,000 people. As the largest SRO housing provider in the State of Texas, our organization’s asset portfolio today includes seven SRO communities with nearly 1,000 units, and with two developments on the cusp of construction completion.

New Hope’s communities include:

1. **Hamilton** – Houston’s first SRO community, adjacent to Minute Maid Park. It was expanded twice due to demand.
   - Location: 320 Hamilton Street, 77002
   - Total units: 129, 100% Affordable
   - Type of development: Income restricted SRO
   - Total Development Cost: $3.5MM
   - Average Occupancy Rate: >95%
   - DCR: Debt free
   - After completion of NHH at Harrisburg with 175 newly constructed SRO units, we will permanently close Hamilton and relocate residents to either Harrisburg or another NHHI property based on qualifications and resident preference. At Harrisburg, 124 of the units will be classified as Permanent Supportive Housing (PSH) in support of Mayor Turner’s homeless initiative.
2. **Canal** – Houston’s first SRO in a neighborhood. Designed by renowned Texas architect Val Glitsch, the Canal building is a modern addition to the Second Ward/East End while reflecting the Hispanic heritage of the neighborhood.
   - Location: 2821 Canal St, 77003
   - Total units: 134, 100% Affordable
   - Type of development: Income restricted SRO
   - Total Development Cost: $6MM
   - Average Occupancy Rate: >95%
   - DCR: Debt free
   - Canal is a 2009 Houston Urban Land Institute (ULI) Development of Distinction award-winning property.
   - Canal was also selected as one of the 25 finalists from among a broad mix of exemplary projects from North and South America for a ULI Award for Excellence.
   - 35% of the units are dedicated to PSH.

3. **Congress** – A Downtown Houston residential landmark since 1925. It was newly renovated by NHHI and reopened in 2012.
   - Location: 1414 Congress, 77002
   - Total units: 57, 100% Affordable
   - Type of development: Income restricted SRO
   - Total Development Cost: $4.2MM
   - Average Occupancy Rate: >95%
   - DCR: Debt free
   - Through an important collaboration with area social service providers, Congress houses the chronically and literally homeless.
   - 100% of the units are dedicated to PSH.

4. **Brays Crossing** – Our first development supported partially by Low Income Housing Tax Credits (LIHTC), Brays Crossing is the rehabilitation of the HouTex Inn, a certified public nuisance property, and opened in 2010. It includes important public art components.
   - Location: 6311 Gulf Freeway, 77023
   - Total units: 149, 100% Affordable
   - Type of development: Income restricted SRO
   - Total Development Cost: $15MM
   - Average Occupancy Rate: >95%
   - DCR: Debt free
   - Brays Crossing received the 2011 Urban Land Institute (ULI) International Award for Excellence in North and South America.
   - Brays Crossing was designated by ULI-Houston as a 2011 Development of Distinction.
   - Brays Crossing was featured in the *Public Service: Architecture for Everyone*, AIA Houston exhibition.
   - The AIA Houston Design Awards program selected Brays Crossing as the winner of the AIA Houston Renovation Award.
   - 25% of the units are dedicated to PSH.
5. **Sakowitz** – A new construction LIHTC development located in Fifth Ward/Denver Harbor. Sakowitz is the first LEED certified affordable multifamily housing in the State of Texas, and it is *platinum* – the highest level of certification. The fact that this distinction goes to a supportive housing property is especially significant.

- Location: 2424 Sakowitz, 77020
- Total units: 100% Affordable
- Type of development: Income restricted SRO
- Total Development Cost: $10.8MM
- Average Occupancy Rate: >95%
- DCR: Debt free
- Sakowitz received a 2012 Award of Excellence from the National Association of Housing and Redevelopment Officials (NAHRO).
- In honor of constructing Sakowitz, New Hope was named the 2011 Outstanding Affordable Developer by the U.S. Green Building Council.
- 43% of the units are dedicated to PSH.

6. **Perry** – A new construction LIHTC development located south of the University of Houston off Old Spanish Trail and Cullen Boulevard. Perry is New Hope’s second LEED platinum property.

- Location: 4415 Perry, 77021
- Total units: 160, 100% Affordable
- Type of development: Income restricted SRO
- Total Development Cost: $12.4MM
- Average Occupancy Rate: >95%
- DCR: Debt free
- Perry received the Keep Houston Beautiful Mayor’s Proud Partner Award and was also a finalist for the Houston Business Journal Landmark Award.
- Perry received the Homeless Housing Commendation from International Making Cities Livable; and the Houston Apartment Association presented Perry with the New Development – Affordable Tax Credit Landmark Award.
- 69% of the units are dedicated to PSH.

7. **Rittenhouse** – A new construction LIHTC development located off I-45 North at the corner of Stuebner Airline and W Rittenhouse Road. Rittenhouse is New Hope’s third LEED platinum property.

- Location: 577 W Rittenhouse Rd, 77091
- Total units: 160, 100% Affordable
- Type of development: Income restricted SRO
- Total Development Cost: $13.8MM
- Average Occupancy Rate: >95%
- DCR: Debt free
- Project was designed by Ernesto Maldonado of GSMA, who designed the award-winning Brays Crossing.
Rittenhouse received the Keep Houston Beautiful, J. Howard Rambi III Founder’s Award; and the 2015 ULI-Houston Development of Distinction Award.

72% of the units are dedicated to PSH.

8. **Harrisburg** – A new construction, mixed-use, transit oriented 4% LIHTC development located along Houston’s East End light rail. This is New Hope’s first foray into mixed use development, incorporating 4,000 SF of ground floor retail as well as 7,000 SF of Class A commercial office space, which will be NHHI’s corporate headquarters – its launch pad into the future. The retail element was developed and financed by NHHI in response to the special request of the neighborhood – honoring the neighborhood’s vision.

- Location: 3315 Harrisburg Blvd, 77003
- Total units: 175, 100% Affordable
- Type of development: Income restricted SRO
- Total Development Cost: $26.9MM
- Average Occupancy Rate: >95%
- DCR: Debt free
- Expected to place in service February 2018.
- Project was designed by Ernesto Maldonado of GSMA.
- Expected to be LEED Certified.
- 70% of the units are dedicated to PSH.

9. **Reed** – 1BR, 2BR, and 3BR apartment units – Through a partnership with the Star of Hope and adjacent to their 41-acre Cornerstone Community campus, Reed is designed to lift homeless and at-risk families from generational poverty. Reed will be our first supportive housing for families.

- Location: 2605 Reed Rd, 77051
- Total units:187, 100% Affordable
- Type of development: Income restricted SRO
- Total Development Cost: $34MM
- Average Occupancy Rate: >95%
- DCR: Debt free
- Expected to place in service in phases, March 2018 – May 2018.
- Project was designed by Ernesto Maldonado of GSMA.
- Expected to be LEED Certified.
- 62% of the units are dedicated to PSH.

For New Hope, being ‘green’ displays our commitment as the lifetime owner of our properties—properties that need sustainable features to endure as community assets. Building green also allows New Hope to maintain rental rates well below market rate. Upon move-in, residents are given ‘green’ training to become more environmentally conscientious.
Awards and Publications
We are an award-winning organization pioneering the effort to build supportive affordable SRO housing in neighborhoods.

In addition to the awards mentioned above, both Brays Crossing and Sakowitz received Houston Business Journal 2011 Landmark Awards. In 2010/2011, Brays Crossing also received two awards from BUILDER magazine, the ARCHITECT Magazine’s LIVE Annual Design Award and the Mayor’s Proud Partner Keep Houston Beautiful Award. Additionally, Congress was awarded by Mental Health America of Greater Houston with the Mental Health Makes a Difference Award.

Our properties consistently receive positive press surrounding their respective grand openings – with featured stories in publications such as, the Houston Chronicle, Houston Business Journal, La Semana News, Culture Map, ABODE Magazine, Texas Architect Magazine, Affordable Housing Finance Magazine, Ultimate East End, Real Estate BISNOW, and a variety of online news publications.

Other awards include: 2008 Bank of America Neighborhood Builder; 2006 Innovation Award, CDC Association of Greater Houston; Outstanding Community Organization, 2006, Texas Homeless Network; 2006 Mayor’s Proud Partner, Keep Houston Beautiful; AIA/Houston Design Award 2006; Finalist, Houston Business Journal Landmark Award 2006; Semi-Finalist, The I. Donald Terner Prize for Innovation and Leadership in Affordable Housing 2006; East End Chamber of Commerce 2005 Amigo Award. Other recognition includes: Enterprise Foundation Best Practice, 2003; Local Area Best Practice, HUD, 2000; Citations of Honor, Texas Society of Architects and AIA/Houston, 1998; Greater Houston Preservation Alliance 1998 Good Brick Award; Certified Commercial Investment Member (CCIM) “ACE” Award, 1996.
Owner and Developer Organization Charts

Applicants should note that subsequent changes to the Development Ownership structure presented in this section will require the written consent of the Department.

Pursuant to §10.204(13)(A) of the Uniform Multifamily Rules, submit three separate charts. One showing the complete organizational structure of each of the following entities: Development Owner, Developer, and Guarantor.

The organization charts must include:

- The names and ownership percentages of all Persons having an ownership interest in the Development Owner, Developer, and/or Guarantor.
- Nonprofit entities, public housing authorities, publicly traded corporations, individual board members and executive directors must be included in Organization charts.
- Any and all trusts must list all beneficiaries that have the legal ability to control or direct activities of the trust and are not just financial beneficiaries.

In the case of:

(A) Partnerships - Principals include all general Partners and Special LPs (any LP that is not the Syndicator is a "Special LP");

(B) Corporations - Principals include the executive director and all members of the board (shown with "0%" ownership as applicable). For to-be formed instrumentalities of PHAs, where the executive director and board remain to be determined, include the PHA, itself, and its members;

(C) Limited liability companies - Principals include all the managing members and all other members.

Org. Chart Example:

Note that the percentage refers to the entity to which the Person is directly connected, not to the whole Development Owner.

If a revised chart is submitted, include date of submission!
**LIMITED PARTNERSHIP ORGANIZATION CHART**

Dale Carnegie SRO, Ltd.
Owner
1117 Texas Ave., Houston 77002

NHH at Dale Carnegie, LLC
General Partner
.01%
1117 Texas Ave., Houston 77002

Investor/Syndicator
Limited Partner
99.99%
1117 Texas Ave., Houston 77002

Houston Area Community Development Corporation* (HACDC)
Developer
100%
1117 Texas Ave., Houston 77002

Board of Directors
Principal 1
0%

- Michael M. Fowler, Executive Chairman
- Sanford W. Criner, Jr., Vice Chair
- Mark C. Wilson, Secretary of the Board of Directors
- Jeff Compton, Director
- Irma G. Galvan, Director**
- Preston Roe, Director**

Officers of the Corporation
0%

- Joy Horak-Brown, President & CEO
- Karen Briggs Gwin, Treasurer & CFO
- Nicole Cassier-Mason, VP, Fund Development/Communications
- Tamara Foster, VP, Onsite Operations
- Emily Abeln, VP, Real Estate Development & Secretary

* HACDC is a non-profit Community Housing Development Organization controlled by New Hope Housing, a Texas nonprofit
** Low-income neighborhood representatives
* HACDC is a non-profit Community Housing Development Organization controlled by New Hope Housing, a Texas nonprofit
** Low-income neighborhood representatives
GUARANTOR ORGANIZATION CHART

<table>
<thead>
<tr>
<th>New Hope Housing, Inc.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1117 Texas Ave., Houston 77002</td>
</tr>
</tbody>
</table>

**Board of Directors**
0%
- Michael M. Fowler, Executive Chairman
- Sanford W. Criner, Jr., Vice Chair
- J. Renea Burns, Director
- Jeff Compton, Director
- Philip Croker, Director
- Carolyn W. Dorros, Director
- James E. Furr, Director
- Catherine James, Director
- Teshia N. Judkins, Director
- Andrea Link, Director
- Melissa Noriega, Director
- Matthew Stahlbaum, Director
- Garrett Thompson, Director
- Melanie M. Trent, Director
- Kenneth J. Valach, Director
- Geoffrey K. Walker, Director
- Mark C. Wilson, Director

**Officers of the Corporation**
0%
- Joy Horak-Brown
  President & CEO
- Karen Briggs Gwin
  Treasurer & CFO
- Nicole Cassier-Mason
  VP, Fund Development/Communications
- Tamara Foster
  VP, Onsite Operations
- Emily Abeln
  VP, Real Estate Development & Secretary
Provide the requested information for all partnerships, corporations, limited liability companies, trusts, or any other public or private entity and their Affiliates identified on the Owner and Developer Organization Charts. Organizations that own or control other organizations should also be identified until the only remaining sub-entity would be natural persons. Organizations that are Developers and/or Guarantors must also be listed on this form as must any organization (and natural person whose ownership interest in an applicable entity is direct instead of via membership in an organization) that will receive more than 10% of the developer fee. (Note - Entity Names, Principals, and ownership percentage should coincide with the Owner and Developer Organization Charts)

<table>
<thead>
<tr>
<th>Org. 1</th>
<th>Organization Legal Name:</th>
<th>NHH at Dale Carnegie, LLC</th>
<th>Role/Title</th>
<th>General Partner</th>
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<tbody>
<tr>
<td>Address:</td>
<td>1117 Texas Avenue</td>
<td>City: Houston</td>
<td>State: TX</td>
<td>Zip: 77002</td>
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<tr>
<td>Name(s) of Entities the Organization Owns or Controls:</td>
<td>Dale Carnegie SRO, Ltd.</td>
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<tr>
<td>Organization legally formed:</td>
<td>No</td>
<td>Date formed: n/a</td>
<td>Legal Org is or will be: Limited Liability Company</td>
<td></td>
</tr>
<tr>
<td>Previous TDHCA Experience?</td>
<td>No</td>
<td>Phone: (713)222-0290</td>
<td>Email: <a href="mailto:joy@newhopehousing.com">joy@newhopehousing.com</a></td>
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<tr>
<td>Organization is identified on Org. Chart:</td>
<td>Yes</td>
<td>Ability to exercise Control over the Development?</td>
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<tr>
<td>List of Sub-Entities or Principals:</td>
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<td>1.</td>
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</table>

| Org. 2 | Organization Legal Name: | Houston Area Community Development Corporation (HACDC) | Role/Title | Sole Member of GP |
|--------|--------------------------|-------------------------------------------------|------------|
| Address: | 1117 Texas Avenue | City: Houston | State: TX | Zip: 77002 |
| Name(s) of Entities the Organization Owns or Controls: | | | | n/a |
| Organization legally formed? | Yes | Date formed: 2/27/2003 | Legal Org is or will be: Non-profit |
| Previous TDHCA Experience? | Yes | Phone: (713)222-0290 | Email: joy@newhopehousing.com |
| Organization is identified on Org. Chart: | Yes | Ability to exercise Control over the Development? | Yes |
| List of Sub-Entities or Principals: | | |
| 1. | Mack M. Fowler | TDHCA Experience: Yes |
| 2. | Sanford W. Criner, Jr. | TDHCA Experience: Yes |
| 3. | Mark C. Wilson | TDHCA Experience: Yes |
| 4. | Jeff Compton | TDHCA Experience: Yes |
| 5. | Irma G. Galvan | TDHCA Experience: Yes |
| 6. | Preston Roe | TDHCA Experience: Yes |
| 7. | Joy Horak-Brown | TDHCA Experience: Yes |
| 8. | Karen Briggs Gwin | TDHCA Experience: Yes |
| 9. | Nicole Cassier-Mason | TDHCA Experience: Yes |
| 10. | Tamara Foster | TDHCA Experience: Yes |
| 11. | Emily Abeln | TDHCA Experience: Yes |
| 12. | | | | |
Organization Legal Name: New Hope Housing, Inc.  
Name(s) of Entities the Organization Owns or Controls: Houston Area Community Development Corporation (HACDC)  
Organization legally formed: Yes  
Date formed: 1/2/1993  
Previous TDHCA Experience? Yes  
Phone: (713)222-0290  
Email: joy@newhopehousing.com  
Organization is identified on Org. Chart: Yes  
Ability to exercise Control over the Development? Yes

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<td>1. Michael M. Fowler</td>
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<td>2. Sanford W. Criner, Jr.</td>
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<td>5. Philip Croker</td>
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<td>12. Matthew Stahlbaum</td>
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</table>
Previous Participation Form

Form must be completed separately for each entity (i.e. person, organization, etc.) that has or will have a controlling interest or oversight in the contract, award, agreement, or ownership transfer being considered. This form should also be completed for each board member, individual with signature authority, executive director, or elected official that represents the person/entity (as applicable).

Person/Role: Houston Area Community Development Corporation ("HACDC")
Sole member of sole General Partner

Email Address: joy@newhopehousing.com

City & State of Home Addr: Houston, Texas

Applicant Legal Name: Dale Carnegie SRO, Ltd.

1. List experience with all TDHCA rental development programs (including: HTC, HTC Exchange, Direct Loan (HOME, TCAP, RHD), and BOND) that you have controlled at any time.

   By selecting this box I certify that I have no prior experience with any TDHCA administered affordable rental program.

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<thead>
<tr>
<th>TDHCA ID#</th>
<th>Property Name</th>
<th>Property City</th>
<th>Program</th>
<th>Control began (mm/yy)</th>
<th>Control End (mm/yy)</th>
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<td>Houston</td>
<td>HTC</td>
<td>Jan-15</td>
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<tr>
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**Person/Role:** New Hope Housing, Inc. - Guarantor and controlling member of HACDC  
**Email Address:** joy@newhopehousing.com  
**City & State of Home Addr:** Houston, Texas  
**Applicant Legal Name:** Dale Carnegie SRO, Ltd.

1. List experience with all TDHCA rental development programs (including: HTC, HTC Exchange, Direct Loan (HOME, TCAP, RHD), and BOND) that you have controlled at any time.

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### Person/Role:

Mack M. Fowler, Executive Chairman - New Hope Housing, Inc. & HACDC

### Email Address:

mmf@bunkerh.com

### City & State of Home Addr:

Houston, Texas

### Applicant Legal Name:

Dale Carnegie SRO, Ltd.

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| Person/Role: | Michael M. Fowler "Mack", Executive Chairman - New Hope Housing, Inc. & HACDC |
| Email Address: | mmf@bunkerh.com |
| City & State of Home Addr: | Houston, Texas |
| Applicant Legal Name: | Dale Carnegie SRO, Ltd. |

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Person/Role:  Sanford W. Criner, Jr., Vice Chair - New Hope Housing, Inc. & HACDC
Email Address:  Sanford.Criner@cbre.com
City & State of Home Addr:  Houston, Texas
Applicant Legal Name:  Dale Carnegie SRO, Ltd.

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Mark C. Wilson
Director, New Hope Housing, Inc.
Secretary of the Board of Directors, HACDC

Person/Role:  
Email Address:  
City & State of Home Addr:  
Applicant Legal Name:  

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Person/Role:  
Jeff Compton, Director - New Hope Housing, Inc. & HACDC

Email Address:  
jaicompton@jaicompton.com

City & State of Home Addr:  
Houston, Texas

Applicant Legal Name:  
Dale Carnegie SRO, Ltd.

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Person/Role: Irma G. Galvan, Director - HACDC
Email Address: does not have email address. Can be reached at 713.222.0767
City & State of Home Addr: Houston, Texas
Applicant Legal Name: Dale Carnegie SRO, Ltd.

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Person/Role:  
**Preston Roe, Director - HACDC**

Email Address:  
preston.roe@att.net

City & State of Home Addr:  
Houston, Texas

Applicant Legal Name:  
Dale Carnegie SRO, Ltd.

1. List experience with all TDHCA rental development programs (including: HTC, HTC Exchange, Direct Loan (HOME, TCAP, RHD), and BOND) that you have controlled at any time.

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Person/Role: **Joy Horak-Brown, President & CEO - New Hope Housing, Inc. & HACDC**
Email Address: [joy@newhopehousing.com](mailto:joy@newhopehousing.com)
City & State of Home Addr: **Houston, Texas**
Applicant Legal Name: **Dale Carnegie SRO, Ltd.**

1. List experience with all TDHCA rental development programs (including: HTC, HTC Exchange, Direct Loan (HOME, TCAP, RHD), and BOND) that you have controlled at any time.

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Person/Role: Karen Briggs Gwin, Treasurer & CFO - New Hope Housing, Inc. & HACDC

Email Address: karen@newhopehousing.com

City & State of Home Addr: Houston, Texas

Applicant Legal Name: Dale Carnegie SRO, Ltd.

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Person/Role:  
Nicole Cassier-Mason, VP, Fund Development/Communications  
New Hope Housing, Inc. & HACDC

Email Address:  
nicole@newhopehousing.com

City & State of Home Addr:  
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Person/Role:  
Tamara Foster, VP, Onsite Operations  
New Hope Housing, Inc. & HACDC

Email Address:  
tjf@newhopehousing.com

City & State of Home Addr:  
Houston, Texas

Applicant Legal Name:  
Dale Carnegie SRO, Ltd.

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### Person/Role:
Emily Abeln - VP, Real Estate Development & Secretary  
New Hope Housing, Inc. & HACDC

### Email Address:
emily@newhopehousing.com

### City & State of Home Addr:
Houston, TX

### Applicant Legal Name:
Dale Carnegie SRO, Ltd.

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Person/Role:  
J. Renea Burns, Director - New Hope Housing, Inc.

Email Address:  
reburns@deloitte.com

City & State of Home Addr:  
Houston, Texas

Applicant Legal Name:  
Dale Carnegie SRO, Ltd.

1. List experience with all TDHCA rental development programs (including: HTC, HTC Exchange, Direct Loan (HOME, TCAP, RHD), and BOND) that you have controlled at any time.

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Person/Role: Philip Croker, Director - New Hope Housing, Inc.
Email Address: philip.croker@hines.com
City & State of Home Addr: Houston, Texas
Applicant Legal Name: Dale Carnegie SRO, Ltd.

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Person/Role: Carolyn W. Dorros, Director - New Hope Housing, Inc.
Email Address: cdw@wolffcompanies.com
City & State of Home Addr: Houston, Texas
Applicant Legal Name: Dale Carnegie SRO, Ltd.

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<th>Person/Role:</th>
<th>James E. Furr, Director - New Hope Housing, Inc.</th>
</tr>
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<tbody>
<tr>
<td>Email Address:</td>
<td><a href="mailto:jimfurr67@gmail.com">jimfurr67@gmail.com</a></td>
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Person/Role:  
Catherine James, Director - New Hope Housing, Inc.

Email Address:  
catherine.james@dynegy.com

City & State of Home Addr:  
Houston, Texas

Applicant Legal Name:  
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Person/Role: Teshia Judkins, Director - New Hope Housing, Inc.

Email Address: tjudkins@abhr.com

City & State of Home Addr: Houston, Texas

Applicant Legal Name: Dale Carnegie SRO, Ltd.

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Control End (mm/yy): 

- 1000084 NHH at Canal Houston HOME May-06
- 7210 NHH at Brays Crossing Houston HTC Oct-10
- 8232 NHH at Sakowitz Houston HTC Sep-10
- 10084 NHH at Perry Houston HTC Aug-12
- 12008 NHH at Rittenhouse Houston HTC Jan-15
- 16405 NHH at Harrisburg Houston HTC & TCAP Apr-16
- 16406 NHH at Reed Houston HTC & TCAP Sep-16
Previous Participation Form

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Person/Role:  Andrea Link, Director - New Hope Housing, Inc.
Email Address:  alink@bcm.edu
City & State of Home Addr:  Houston, Texas
Applicant Legal Name:  Dale Carnegie SRO, Ltd.

1. List experience with all TDHCA rental development programs (including: HTC, HTC Exchange, Direct Loan (HOME, TCAP, RHD), and BOND) that you have controlled at any time.

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<td>Houston</td>
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</tr>
</tbody>
</table>

2. Identify all Community Affairs and Single Family department programs that you have participated in within the last three(3) years by placing an "x" next to the program name.

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<table>
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<th>Community Affairs:</th>
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</table>

Andrea Link, Director - New Hope Housing, Inc.
Email Address:  alink@bcm.edu
City & State of Home Addr:  Houston, Texas
Previous Participation Form

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Person/Role: Melissa Noriega, Director - New Hope Housing, Inc.
Email Address: melissanoriega@gmail.com
City & State of Home Addr: Houston, Texas
Applicant Legal Name: Dale Carnegie SRO, Ltd.

1. List experience with all TDHCA rental development programs (including: HTC, HTC Exchange, Direct Loan (HOME, TCAP, RHD), and BOND) that you have controlled at any time.

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Previous Participation Form
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<table>
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<tr>
<th>Person/Role:</th>
<th>Matthew Stahlbaum, Director - New Hope Housing, Inc.</th>
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<tr>
<td>Email Address:</td>
<td><a href="mailto:mstahiba@yahoo.com">mstahiba@yahoo.com</a></td>
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<td>City &amp; State of Home Addr:</td>
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</tr>
<tr>
<td>Applicant Legal Name:</td>
<td>Dale Carnegie SRO, Ltd.</td>
</tr>
</tbody>
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1. List experience with all TDHCA rental development programs (including: HTC, HTC Exchange, Direct Loan (HOME, TCAP, RHD), and BOND) that you have controlled at any time.

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Person/Role: Melanie M. Trent, Director - New Hope Housing, Inc.
Email Address: melanie.m.trent@gmail.com
City & State of Home Addr: Houston, Texas
Applicant Legal Name: Dale Carnegie SRO, Ltd.

1. List experience with all TDHCA rental development programs (including: HTC, HTC Exchange, Direct Loan (HOME, TCAP, RHD), and BOND) that you have controlled at any time.

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<tr>
<th>Person/Role:</th>
<th>Kenneth J. Valach, Director - New Hope Housing, Inc.</th>
</tr>
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<tbody>
<tr>
<td>Email Address:</td>
<td><a href="mailto:ken@tcr.com">ken@tcr.com</a></td>
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<td>City &amp; State of Home Addr:</td>
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### Community Affairs Table

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<th>WAP</th>
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</table>

This form must be completed separately for each entity (i.e. person, organization, etc.) that has or will have a controlling interest or oversight in the contract, award, agreement, or ownership transfer being considered. This form should also be completed for each board member, individual with signature authority, executive director, or elected official that represents the person/entity (as applicable).
### Previous Participation Form

Form must be completed separately for each entity (i.e. person, organization, etc.) that has or will have a controlling interest or oversight in the contract, award, agreement, or ownership transfer being considered. This form should also be completed for each board member, individual with signature authority, executive director, or elected official that represents the person/entity (as applicable).

**Person/Role:** Geoffrey K. Walker, Director - New Hope Housing, Inc.

**Email Address:** gwalker@andrewskurth.com

**City & State of Home Addr:** Houston, Texas

**Applicant Legal Name:** Dale Carnegie SRO, Ltd.

1. List experience with all TDHCA rental development programs (including: HTC, HTC Exchange, Direct Loan (HOME, TCAP, RHD), and BOND) that you have controlled at any time.

   - By selecting this box I certify that I have no prior experience with any TDHCA administered affordable rental program.

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<tr>
<th>TDHCA ID#</th>
<th>Property Name</th>
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<th>Program</th>
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<td>Houston</td>
<td>HTC &amp; TCAP</td>
<td>Sep-16</td>
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</tr>
</tbody>
</table>

2. Identify all Community Affairs and Single Family department programs that you have participated in within the last three(3) years by placing an "x" next to the program name.

   - By selecting this box I certify that I have no prior experience with any TDHCA Single Family or Community Affairs Programs.

<table>
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<tr>
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- X | Bootstrap | CFDC | Self-Help | NSP |
Nonprofit Participation

**Nonprofit Set-Aside (Competitive HTC Applications Only)**

**Qualification:** Must meet the definition of a Qualified Nonprofit Development pursuant to §10.3(a)(102) of the Uniform Multifamily Rules, §42(h)(5) of the code, and the requirements of §11.5(1) of the Qualified Allocation Plan.

**Documentation:** Eligibility will be confirmed based upon completion of the Nonprofit Participation and Additional Nonprofit Documentation requirements in this section.

- By selecting this box the Applicant affirms the election to be included in the Nonprofit Set-Aside and certifies that they expect to receive a benefit in the allocation of tax credits as a result of being affiliated with a nonprofit.

- By selecting this box the Applicant affirms the election to be excluded from the Nonprofit Set-Aside and certifies that they do not expect to receive a benefit in the allocation of tax credits as a result of being affiliated with a nonprofit.

---

**Nonprofit Information (ALL Applications)**

Only nonprofit organizations will complete this section. All nonprofit Applicants or Principals must complete this form without regard to their level of ownership or the set-aside under which the Application was made.

- **Organization Name:** Houston Area Community Development Corporation ("HACDC")
- **Is the Organization a 501(c)(3) or (4) as of the beginning of the Application Acceptance Period?** Yes
- **If no to the question above, what is its current legal status?**
- **If "Other" please specify:**
- **Date of legal formation of Nonprofit Organization:** 1999
- **1) Is Applicant comprised of a joint venture between a Nonprofit and for-profit entity?** Yes
  - **If “Yes”, will this nonprofit organization Control the Applicant?** Yes
  - **What is the ownership percentage of this nonprofit organization?** 100
- **2) Describe the nonprofit’s participation:** Sole member of the sole General Partner
- **3) Describe the nonprofit’s participation in the operation of the Development throughout the Compliance and/or extended use period:** Sponsor, developer, and sole member of the GP
- **4) Will the nonprofit receive part of the development fees paid in connection with the development?** Yes
  - **If "Yes," explain:** The nonprofit will receive 100% of the development fees
<table>
<thead>
<tr>
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<tr>
<td>Michael M. Fowler</td>
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<tr>
<td>Sanford W. Criner, Jr.</td>
<td>Vice Chair</td>
<td>700 Louisiana St., Suite 2700</td>
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<tr>
<td>Mark C. Wilson</td>
<td>Secretary of the Board of Directors</td>
<td>1601 Mose Street</td>
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<tr>
<td>Jeff Compton</td>
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<tr>
<td>Irma G. Galvan</td>
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<tr>
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<tr>
<td>Joy Horak-Brown</td>
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<td>1117 Texas Avenue</td>
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## Nonprofit Participation

### Qualification:

Must meet the definition of a Qualified Nonprofit Development pursuant to §10.3(a)(102) of the Uniform Multifamily Rules, §42(h)(5) of the code, and the requirements of §11.5(1) of the Qualified Allocation Plan.

### Documentation:

Eligibility will be confirmed based upon completion of the Nonprofit Participation and Additional Nonprofit Documentation requirements in this section.

- By selecting this box the Applicant affirms the election to be included in the Nonprofit Set-Aside and certifies that they expect to receive a benefit in the allocation of tax credits as a result of being affiliated with a nonprofit.

- By selecting this box the Applicant affirms the election to be excluded from the Nonprofit Set-Aside and certifies that they do not expect to receive a benefit in the allocation of tax credits as a result of being affiliated with a nonprofit.

## Nonprofit Information (ALL Applications)

Only nonprofit organizations will complete this section. All nonprofit Applicants or Principals must complete this form without regard to their level of ownership or the set-aside under which the Application was made.

### Organization Name:

New Hope Housing, Inc.

### Is the Organization a 501(c)(3) or (4) as of the beginning of the Application Acceptance Period?

Yes

### If no to the question above, what is its current legal status?

If "Other" please specify:

### Date of legal formation of Nonprofit Organization:

1993

### 1) Is Applicant comprised of a joint venture between a Nonprofit and for-profit entity?

Yes

- If “Yes”, will this nonprofit organization Control the Applicant?
  
  No

- What is the ownership percentage of this nonprofit organization?
  
  0.00%

### 2) Describe the nonprofit’s participation:

Guarantor and Property Manager

### 3) Describe the nonprofit’s participation in the operation of the Development throughout the Compliance and/or extended use period:

Guarantor and Property Manager

### 4) Will the nonprofit receive part of the development fees paid in connection with the development?

No

- If "Yes," explain:

  

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Address</th>
<th>City</th>
<th>State</th>
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<th>Phone</th>
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<th>Occupation</th>
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<tr>
<td>Sanford W. Criner, Jr.</td>
<td>Vice Chair</td>
<td>700 Louisiana St., Suite 2700</td>
<td>Houston</td>
<td>TX</td>
<td>77002</td>
<td>(713) 881-0936</td>
<td></td>
<td><a href="mailto:sanford.criner@cbre.com">sanford.criner@cbre.com</a></td>
<td>EVP, CB Richard Ellis</td>
</tr>
<tr>
<td>Mark C. Wilson</td>
<td>Director</td>
<td>1601 Mose Street</td>
<td>Houston</td>
<td>TX</td>
<td>77019</td>
<td>(713) 527-9656</td>
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<td><a href="mailto:mcwilson@earthlink.net">mcwilson@earthlink.net</a></td>
<td>Owner, Investment Real Estate</td>
</tr>
<tr>
<td>J. Renea Burns</td>
<td>Director</td>
<td>1111 Bagby, Suite 4500</td>
<td>Houston</td>
<td>TX</td>
<td>77002</td>
<td>(713) 982-2000</td>
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<td><a href="mailto:reburns@deloitte.com">reburns@deloitte.com</a></td>
<td>CPA</td>
</tr>
<tr>
<td>Jeff Compton</td>
<td>Director</td>
<td>909 Fannin, Suite 3275</td>
<td>Houston</td>
<td>TX</td>
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<td>(713) 351-7110</td>
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<td><a href="mailto:jeff@cw-cpa.com">jeff@cw-cpa.com</a></td>
<td>CPA</td>
</tr>
<tr>
<td>Philip Croker</td>
<td>Director</td>
<td>609 Main Street, Suite 4400</td>
<td>Houston</td>
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<td>77002</td>
<td>(713) 237-5674</td>
<td></td>
<td><a href="mailto:philip.croker@hines.com">philip.croker@hines.com</a></td>
<td>Real Estate Developer</td>
</tr>
<tr>
<td>Carolyn W. Dorros</td>
<td>Director</td>
<td>20 Briar Hollow Lane</td>
<td>Houston</td>
<td>TX</td>
<td>77027</td>
<td>(713) 626-8050</td>
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<td><a href="mailto:ced@wolfcompanies.com">ced@wolfcompanies.com</a></td>
<td>EVP, Real Estate</td>
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<td><a href="mailto:Jim.furr67@gmail.com">Jim.furr67@gmail.com</a></td>
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<tr>
<td>Teshia N. Judkins</td>
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<td>3200 Southwest Freeway, Suite 2600</td>
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<td>TX</td>
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<tr>
<td>Andrea Link</td>
<td>Director</td>
<td>1934 Caroline</td>
<td>Houston</td>
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<tr>
<td>Melissa Noriega</td>
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<td>4500 Bissonnet</td>
<td>Houston</td>
<td>TX</td>
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<tr>
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<td>501 Crawford Street</td>
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<tr>
<td>Melanie M. Trent</td>
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<tr>
<td>Kenneth J. Valach</td>
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<td>820 Gessner, Ste. 760</td>
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<tr>
<td>Geoffrey K. Walker</td>
<td>Director</td>
<td>600 Travis, Suite 4200</td>
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<tr>
<td>Joy Horak-Brown</td>
<td>President &amp; CCEO</td>
<td>1117 Texas Avenue</td>
<td>Houston</td>
<td>TX</td>
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<tr>
<td>Karen Briggs-Gwin</td>
<td>Treasurer &amp; CFO</td>
<td>1117 Texas Avenue</td>
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<tr>
<td>Nicole Cassier-Mason</td>
<td>VP, Fund Development &amp; Communications</td>
<td>1117 Texas Avenue</td>
<td>Houston</td>
<td>TX</td>
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<tr>
<td>Emily Abeln</td>
<td>VP, Real Estate Development &amp; Secretary</td>
<td>1117 Texas Avenue</td>
<td>Houston</td>
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<tr>
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<th>Ext.</th>
<th>Fax or Email</th>
<th>Occupation</th>
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<tbody>
<tr>
<td>(713) 222-0290</td>
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<th>Email</th>
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<tr>
<td><a href="mailto:joy@newhopehousing.com">joy@newhopehousing.com</a></td>
<td></td>
<td>President &amp; CCEO</td>
</tr>
<tr>
<td><a href="mailto:karen@newhopehousing.com">karen@newhopehousing.com</a></td>
<td></td>
<td>Treasurer &amp; CFO</td>
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<tr>
<td><a href="mailto:nicole@newhopehousing.com">nicole@newhopehousing.com</a></td>
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<tr>
<td><a href="mailto:emily@newhopehousing.com">emily@newhopehousing.com</a></td>
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<td>VP, Real Estate Development &amp; Secretary</td>
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<tr>
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<tbody>
<tr>
<td>Retired attorney</td>
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<tr>
<td>CEO, Trammell Crow Residential</td>
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<tr>
<td>Attorney</td>
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<tr>
<td>President &amp; CEO, HACDC &amp; NHHI</td>
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<tr>
<td>Treasurer &amp; CFO, HACDC &amp; NHHI</td>
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<tr>
<td>Retired attorney</td>
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<tr>
<td>VP, HACDC &amp; NHHI</td>
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<td>VP, RE Dev. &amp; Secretary</td>
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<tr>
<td>Joy Horak-Brown</td>
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<td>Kenneth J. Valach</td>
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<td>Geoffrey K. Walker</td>
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<td>Karen Briggs-Gwin</td>
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<td>Nicole Cassier-Mason</td>
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<tr>
<td>Tamara Foster</td>
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<td>1117 Texas Avenue</td>
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<tr>
<td>(713) 222-0290</td>
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<td>Phone</td>
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<tr>
<td>Emily Abeln</td>
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<td>1117 Texas Avenue</td>
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<td>(713) 222-0290</td>
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Applications involving a Qualified Nonprofit Organization pursuant to Texas Government Code, §2306.6706 that have a 501(c)(3) or 501(c)(4) designation at the time of Application and competitive 9% HTC Applications electing to compete under the Nonprofit Set-aside must provide the following documentation behind this tab:

- IRS determination letter
- Third Party legal opinion (not applicable to Tax-Exempt Bond Developments)
- The Nonprofit's most recent financial statement as prepared by a Certified Public Accountant (not applicable to Tax-Exempt Bond Developments)
- Certification regarding Board member residence (not applicable to Tax-Exempt Bond Developments)
Dear Applicant:

Based on the information you recently submitted, we have classified your organization as one that is not a private foundation within the meaning of section 509(a) of the Internal Revenue Code because you are described in sections 509(a)(1) and 170(b)(1)(A)(vi).

Your exempt status under section 501(a) of the Internal Revenue Code as an organization described in 501(c)(3) is still in effect.

This classification is based on the assumption that your operations will continue as you have stated. If your sources of support, or your purposes, character, or method of operation change, please let us know so we can consider the effect of the change on your exempt status and foundation status.

This supersedes our letter dated May 2, 1997.

Grantors and contributors may rely on this determination unless the Internal Revenue Service publishes notice to the contrary. However, if you lose your section 509(a)(1) status, a grantor or contributor may not rely on this determination if he or she was in part responsible for, or was aware of, the act or failure to act, or the substantial or material change on the part of the organization that resulted in your loss of such status, or if he or she acquired knowledge that the Internal Revenue Service had given notice that you would no longer be classified as a section 509(a)(1) organization.

If we have indicated in the heading of this letter that an addendum applies, the addendum enclosed is an integral part of this letter.

Because this letter could help resolve any questions about your private foundation status, you should keep it in your permanent records.

We have sent a copy of this letter to your representative as indicated in your power of attorney.
If you have any questions, please contact the person whose name and telephone number are shown above.

Sincerely yours,

[Signature]

District Director
Dear Applicant:

This modifies our letter of the above date in which we stated that you would be treated as an organization that is not a private foundation until the expiration of your advance ruling period.

Your exempt status under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3) is still in effect. Based on the information you submitted, we have determined that you are not a private foundation within the meaning of section 509(a) of the Code because you are an organization of the type described in section 509(a)(1) and 170(b)(1)(A)(vi).

Grantors and contributors may rely on this determination unless the Internal Revenue Service publishes notice to the contrary. However, if you lose your section 509(a)(1) status, a grantor or contributor may not rely on this determination if he or she was in part responsible for, or was aware of, the act or failure to act, or the substantial or material change on the part of the organization that resulted in your loss of such status, or if he or she acquired knowledge that the Internal Revenue Service had given notice that you would no longer be classified as a section 509(a)(1) organization.

If we have indicated in the heading of this letter that an addendum applies, the addendum enclosed is an integral part of this letter.

Because this letter could help resolve any questions about your private foundation status, please keep it in your permanent records.

If you have any questions, please contact the person whose name and telephone number are shown above.

Sincerely yours,

Ellen Murphy

District Director

Letter 1050 (00/CG)
February 26, 2018

To: Texas Department of Housing and Community Affairs
P.O. Box 13941
221 East 11th Street
Austin, TX 78711-3941

Re: New Hope Housing Dale Carnegie
Southeast Corner of Regency Square Boulevard and Dale Carnegie Lane
Houston TX, 77036
Dale Carnegie SRO, Ltd.

Ladies and Gentlemen:

Dale Carnegie SRO, Ltd., a Texas limited partnership, is the Applicant. Houston Area Community Development Corporation, a Texas nonprofit corporation, is the sole member of the sole general partner of the Applicant. We have been asked to render our legal opinion to meet the requirements of Tex. Gov’t Code, §2306.6706 and 10 TAC §10.204(14)(A)(iii). This opinion is issued to the Texas Department of Housing and Community Affairs (the “Department”) so that the Department, its governing board, and its staff may rely on it in making any determinations that the Applicant is eligible under Tex. Gov’t Code, §2306.6706(b) for a housing tax credit allocation from the nonprofit set-aside.

In rendering our opinion, we have reviewed the Certificate of Formation and Bylaws of, Houston Area Community Development Corporation (“HACDC”), the sole member of the general partner of the Applicant and the Letter of Determination dated June 10, 1999 from the Internal Revenue Service regarding the managing general partner’s status as an organization exempt from taxes under the Internal Revenue Code. We have also examined the records of Houston Area Community Development Corporation to determine whether or not there exists any identity of interest between HACDC and any for-profit sponsors of the above-referenced development, (the “Development”). We have reviewed the original or certified copies of the development agreement, the partnership agreement, and such other documents, instruments, and writings as we deemed necessary or advisable to enable us to render this opinion. We have assumed and relied upon the genuineness of all certifications and have no reason to question them. The review of all such documents, individually and collectively, forms the basis for our opinion.
Based upon the foregoing, it is our opinion that:

(1) HACDC is not affiliated with or Controlled (within the meaning of 10 TAC §10.3(a)(27)) by a for-profit organization with respect to the Development.

(2) HACDC is a “Qualified Nonprofit Organization” within the meaning of §2306.6706 and §42(h)(5) of the Internal Revenue Code.

(3) HACDC is an organization described in paragraph (3) or (4) of §501(c), is exempt from taxation under §501(a) of the Internal Revenue Code, and is an organization that has its Internal Revenue Service documentation of designation as a Section 501(c)(3) or 501(c)(4) organization as of the beginning of the Application Acceptance Period. HACDC is the sole member of the sole general partner of the Applicant.

(4) HACDC is an organization which specifically has the providing of low-income housing as one of its tax exempt purposes and the development and operation of the Development as low income housing is a legal purpose of the Applicant.

(5) Dale Carnegie SRO, Ltd. is eligible for a housing credit allocation from a set-aside reserved for the use of qualified nonprofit organizations. Because the general partner of Dale Carnegie SRO, Ltd. is controlled by and wholly owned by HACDC, a Qualified Nonprofit within the meaning of §2306.6706 and §2306.6729 of the Tex. Gov’t Code and §42(h)(5) of the Internal Revenue Code, Dale Carnegie SRO, Ltd. is eligible for the nonprofit set-aside.

(6) Dale Carnegie SRO, Ltd. will have the sole general partner or an affiliate or subsidiary that is also a nonprofit entity or its nonprofit affiliate or subsidiary meeting the requirements of §2306.6706 and §2306.6729 of the Texas Government Code and §42(h)(5) of the Internal Revenue Code serve as the Developer as evidenced in the development agreement.

(7) HACDC prohibits any 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.

(8) HACDC has the ability to do business as a nonprofit corporation in Texas.

Sincerely

Coats Rose, P.C.

February 19, 2014
+Page 2
Houston Area Community Development Corporation

Financial Statements and Independent Auditors’ Report for the year ended December 31, 2016
Independent Auditors’ Report

To the Board of Directors of
    Houston Area Community Development Corporation:

We have audited the accompanying financial statements of Houston Area Community Development Corporation, which comprise the statement of financial position as of December 31, 2016 and the related statements of activities and of cash flows for the year then ended, and the related notes to the financial statements.

Management’s Responsibility for the Financial Statements – Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors’ Responsibility – Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform our audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors’ judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion – In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Houston Area Community Development Corporation as of December 31, 2016 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Blazek & Vetterling

May 30, 2017
Houston Area Community Development Corporation

Statement of Financial Position as of December 31, 2016

ASSETS

Cash $ 376,967
Prepaid expenses and other receivables 46,830
Cash contractually restricted for replacement and other reserves 107,048
Cash held for capital projects 751,663
Receivable from New Hope Housing, Inc. 816,872
Notes receivable from affiliates (Note 3) 17,155,407
Property, net (Note 4) 4,570,276

TOTAL ASSETS $ 23,825,063

LIABILITIES AND NET ASSETS

Liabilities:

Accounts payable and accrued expenses $ 3,182
Security deposits and prepaid rents 22,210
Total liabilities 25,392

Commitments and contingencies (Notes 4 and 5)

Unrestricted net assets 23,799,671

TOTAL LIABILITIES AND NET ASSETS $ 23,825,063

See accompanying notes to financial statements.
## Houston Area Community Development Corporation

Statement of Activities for the year ended December 31, 2016

### REVENUE:

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<th>Source</th>
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<td>Project development fees</td>
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<tr>
<td>Apartment rentals</td>
<td>406,759</td>
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<td>Interest and other income</td>
<td>306,095</td>
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<tr>
<td><strong>Total revenue</strong></td>
<td><strong>1,727,140</strong></td>
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### EXPENSES:

#### Program services:

- Apartment services: 558,991
- Project development: 155,138
- **Total program services**: 714,129

- Management and general: 41,450
- **Total expenses**: 755,579

### CHANGES IN NET ASSETS

- **971,561**

### Net assets:

- Beginning of year: 22,828,110
- **End of year**: $23,799,671

*See accompanying notes to financial statements.*
### Houston Area Community Development Corporation

Statement of Cash Flows for the year ended December 31, 2016

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<td>Changes in net assets</td>
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<td>Adjustments to reconcile changes in net assets to net cash provided by operating activities:</td>
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<td>Depreciation</td>
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<td>Changes in operating assets and liabilities:</td>
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<tr>
<td>Prepaid expenses and other receivables</td>
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<td>Receivable from New Hope Housing, Inc.</td>
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<td>Accounts payable and accrued expenses</td>
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<td>Payable to affiliates</td>
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<td>Security deposits and prepaid rents</td>
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<td>Net cash provided by operating activities</td>
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<td><strong>CASH FLOWS FROM INVESTING ACTIVITIES:</strong></td>
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<td>Expenditures for acquisition and construction of property</td>
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<td>Net change in cash contractually-restricted for replacement and other reserves</td>
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<tr>
<td>Payment received on notes receivable from affiliates</td>
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<tr>
<td>Net cash provided by investing activities</td>
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<td><strong>NET CHANGE IN CASH</strong></td>
<td>88,477</td>
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<td>Cash, beginning of year</td>
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<tr>
<td>Cash, end of year</td>
<td>$ 376,967</td>
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*See accompanying notes to financial statements.*
NOTE 1 – ORGANIZATION

Organization – Houston Area Community Development Corporation (HACDC) was incorporated in Texas in 1992. HACDC is certified as a Community Housing Development Organization (CHDO) established by the U. S. Department of Housing and Urban Development (HUD). A CHDO’s primary purpose is to develop affordable housing for the community it serves. HACDC was originally established to develop a property under HUD’s Section 8 mod-rehab program. The 57-unit building opened in March 1998. It is located at 1414 Congress Street and is an adapted reuse of the historic Power Hotel, which was built in 1925. Intensive renovations in 2007 were funded by the City of Houston (the City), the Downtown Redevelopment Authority, and private contributors. The Congress Street property reopened in September 2010 as affordable SRO housing. At least one-third of the board of directors of HACDC is composed of residents of low-income neighborhoods, other low-income community residents, or elected representatives of low-income neighborhood organizations.

New Hope Housing, Inc. (NHHI) was created in January 1993 to develop and provide life-stabilizing affordable, permanent housing with supportive services for people who live on limited incomes. NHHI became HACDC’s sole member in 2003. For more than 20 years, NHHI, HACDC, and several affiliated corporations (collectively New Hope) have developed properties that help people mend their lives and recover their dignity by providing affordable, beautiful, and supportive housing. Their robust combination of permanent housing and services affords people the opportunity to stabilize and improve their lives and remain in housing – free from the threat of homelessness.

Affiliated organizations – HACDC is affiliated with the following corporations:

NHHI began operations with 40 units in March 1995. The Hamilton Street Residence was expanded twice due to demand and now contains 129 units designed to serve people living alone who have a job or other source of income, and who are capable of independent living.

NHH-Canal Street Apartments, Inc. (NHH-Canal) was incorporated in April 2001 as a Texas nonprofit corporation, with NHHI as its sole member, to develop a SRO property at 2821 Canal Street.

FDI-Houston SRO, Ltd. (FDI) is a limited liability partnership formed in 2007 to acquire and redevelop an existing property, creating Brays Crossing, a 149-unit SRO. NHH at Brays Crossing, LLC is the general partner and .01% owner of FDI; NEF Assignment Corporation is the limited partner and 99.99% owner of FDI. NHHI is the sole member of NHH at Brays Crossing, LLC.

Sakowitz SRO, Ltd. (Sakowitz) is a limited liability partnership formed in 2008 to develop 2424 Sakowitz, a 166-unit SRO. NHH at Sakowitz, LLC is the general partner of Sakowitz and .01% owner of Sakowitz; NEF Assignment Corporation is the limited partner and 99.99% owner of Sakowitz. NHHI is the sole member of NHH at Sakowitz, LLC.

Perry SRO, Ltd. (Perry) is a limited liability partnership formed in 2010 to develop 4415 Perry, a 160-unit SRO. NHH at Perry, LLC is the general partner and 0.01% owner of Perry; NEF Assignment Corporation is the limited partner and 99.99% owner of Perry. NHHI is the sole member of NHH at Perry, LLC.
Rittenhouse SRO, Ltd. (Rittenhouse) is a limited liability partnership formed in 2011 to develop New Hope Housing at Rittenhouse, a 160-unit SRO. NHH at Rittenhouse, LLC is the general partner and 0.01% owner of Rittenhouse; NEF Assignment Corporation is the limited partner and 99.99% owner of Rittenhouse. NHHI is the sole member of NHH at Rittenhouse, LLC.

Harrisburg SRO, Ltd. (Harrisburg) is a limited liability partnership formed in 2015 to develop New Hope Housing at Harrisburg, a mixed-use, transit-oriented development located in Houston’s historic East End with 175 units of SRO housing and retail and office space. NHH at Harrisburg, LLC is the general partner and 0.01% owner of Harrisburg; NEF Assignment Corporation is the limited partner and 99.99% owner of Harrisburg. NHHI is the sole member of NHH at Harrisburg, LLC.

NHH at Reed, Ltd. (Reed) is a limited liability partnership formed in 2014 to develop a 187-unit property for homeless and at-risk families. NHH at Reed GP, LLC is the general partner and 0.01% owner of Reed; NEF Assignment Corporation is the limited partner and 99.99% owner of Reed; NHHI is the sole member. The development will contain 1, 2 and 3 bedroom apartments and will be situated on approximately 8 acres at 2605 Reed Road, west of Highway 288 and south of the 610 Loop.

Federal income tax status – HACDC is exempt from federal income taxes under §501(c)(3) of the Internal Revenue Code. HACDC is further classified as a public charity as described in §509(a)(1) and §170(b)(1)(A)(vi).

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash concentration – Bank deposits exceed the federally insured limit per depositor per institution.

Property is reported at cost, if purchased, or at fair market value at the date of gift, if donated. Depreciation is calculated using the straight-line method based upon the estimated useful lives of 27.5 years for buildings and improvements and 5 years for furniture, fixtures, and equipment.

HACDC reviews its rental property for impairment or disposal to determine if the carrying value exceeds the undiscounted cash flows expected to be derived from the assets. If the carrying value exceeds the cash flows, then recorded amounts of the assets will be reduced to their fair value. No impairment losses were recognized during the year ended December 31, 2016.

Project development fees are recognized as the projects are completed in accordance with the development agreements. On tax credit projects, development fees are typically 15% of the total development cost. HACDC uses these fees to support the organization’s operations and as working capital for future project development.

Apartment rentals are recognized as rent becomes due. Rental payments received in advance are deferred until earned and reported as prepaid rent. Rental rates are set based on the operating expenses of each property and are established at rates at or below HUD defined maximum rental rates. The rental rates include free utilities and access to cable television. All apartment leases are short-term operating leases.

Estimates – Management must make estimates and assumptions to prepare financial statements in accordance with generally accepted accounting principles. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, the amounts of reported revenue and expenses, and the allocation of expenses among various functions. Actual results could vary from the estimates that were used.
Recent financial accounting pronouncement – In August 2016, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities. The amendments in this ASU are the first phase of changes aimed at providing more useful information to users of not-for-profit financial statements. Under this ASU, net assets will be presented in two classes: net assets with donor restrictions and net assets without donor restrictions and underwater endowments will be grouped with net assets with donor restrictions. New or enhanced disclosures will be required about the nature and composition of net assets, and the liquidity and availability of resources for general operating expenditures within one year of the balance sheet date. Expenses will be required to be presented by both nature and function and investment return will be presented net of external and direct internal investment expenses. Absent explicit donor stipulations, restrictions on long-lived assets will expire when assets are placed in service. The ASU is effective for fiscal periods beginning after December 15, 2017, but early adoption is permitted. This ASU will impact the presentation and disclosures of the financial statements and HACDC is determining their plan for adoption.

NOTE 3 – NOTES RECEIVABLE FROM RELATED PARTIES

HACDC entered into an agreement on October 15, 2007 to lend up to $9,264,198 to FDI. The note is secured by a deed of trust on FDI's property. The note bears interest at 5% per annum. Payments are payable solely from net cash flow available for distribution. The note matures on October 15, 2047. Interest earned in 2016 was $69,488. At December 31, 2016, the outstanding principal and interest were $7,292,790 and $472,899, respectively, and is included in notes receivable from affiliates.

HACDC entered into an agreement on August 31, 2009 to lend up to $3,000,000 to Sakowitz. The note is secured by a deed of trust on Sakowitz's property. The note bears interest at a rate of 2.25% per annum. Payments are payable solely from net cash flow available for distribution. The note matures on September 1, 2039. Interest earned in 2016 was $52,460. At December 31, 2016, the outstanding principal and interest were $3,000,000 and $165,990, respectively, and is included in notes receivable from affiliates.

HACDC entered into an agreement on August 5, 2011 to lend up to $3,000,000 to Perry. The note is secured by a deed of trust on Perry's property. The note bears interest at a rate of 2.50% per annum. Payments are payable solely from net cash flow available for distribution. The note matures on August 5, 2051. Interest earned in 2016 was $82,656. At December 31, 2016, the outstanding principal and interest were $2,931,818 and $6,211, respectively, and is included in notes receivable from affiliates.

HACDC entered into an agreement on November 8, 2012 to lend up to $1,600,000 to Rittenhouse. The note was modified on December 6, 2013 to provide additional funding of $1,352,464. The note is secured by a deed of trust on Rittenhouse's property. The note bears interest at a rate of 3% per annum. Payments are payable solely from net cash flow available for distribution. The note matures on November 8, 2052. Interest earned in 2016 was $95,700. At December 31, 2016, the outstanding principal and interest were $2,952,464 and $333,235, respectively, and is included in notes receivable from affiliates.
NOTE 4 – PROPERTY

Property consists of the following:

<table>
<thead>
<tr>
<th>Property</th>
<th>Cost</th>
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</thead>
<tbody>
<tr>
<td>Buildings and improvements</td>
<td>$6,195,463</td>
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<tr>
<td>Land</td>
<td>$215,450</td>
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<tr>
<td>Furniture, fixtures, and equipment</td>
<td>$119,940</td>
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<tr>
<td><strong>Total property, at cost</strong></td>
<td><strong>$6,530,853</strong></td>
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<tr>
<td>Accumulated depreciation</td>
<td>(1,960,577)</td>
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<tr>
<td><strong>Property, net</strong></td>
<td><strong>$4,570,276</strong></td>
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</table>

At December 31, 2016, HACDC had outstanding construction contract commitments totaling approximately $35 million related to the construction of Harrisburg and Reed.

NOTE 5 – COMMITMENTS AND CONTINGENCIES

A portion of the development costs of New Hope’s properties has been funded through Home Investment Partnership Program (HOME) funds and other governmental grants or performance-based loans. These agreements have various restrictive covenants, including operating and financial constraints such as limitations on transfer or sale of the properties or additional borrowings and required replacement and other reserves. These sources of funding generally place specific long-term restrictions on the properties as to their operation as affordable housing. Should these restrictions not be met in the future, HACDC would be responsible for refunding all or a portion of these proceeds to the government. A liability for such repayment is not reported in these financial statements because management believes the properties are being operated in accordance with such restrictions.

The principal outstanding contingencies are as follows:

**Congress Street** – This property was originally funded in 1998 in part with HOME funds, a $1,282,787 deferred-payment loan agreement with the City. Under the terms of the agreement, these amounts and accrued interest were to be forgiven 20 years after project completion (in 2018), provided HACDC continued to comply with the terms of the agreement. As discussed in Note 1, the property was renovated in 2007. In 2008, HACDC received a grant from Main Street Market Square Redevelopment Authority (the Authority), a local government corporation, that provided $1,200,000, a portion of which was to be used to reimburse the original HOME funding, thus releasing the use restrictions on the existing loan balance at that time of $1,169,897. The terms of the agreement with the Authority require HACDC to maintain and operate the property as affordable housing for at least 15 years (2025) from the date the renovation was completed and available for habitation.

Payoff of the previous deferred-payment loan agreement with the City allowed HACDC and the City to enter into a new 2009 agreement to fund renovations with $3,000,000 in HOME funds. Under the terms of the new agreement, this amount and accrued interest will be forgiven 15 years (in 2025) from completion of the project provided that HACDC continues to comply with the terms of the agreement. The loan is collateralized by the property.

**Brays Crossing** – In 2008, HACDC entered into a deferred-payment loan agreement with the City totaling $9,264,198 to provide HOME funding for a loan to be made by HACDC to FDI to fund a portion
of the acquisition and rehabilitation costs for this property. Under the terms of the agreement, the loan and accrued interest will be forgiven 15 years after completion of the facility (in 2025), provided HACDC complies with the provisions of the contract. The loan from the City is secured by a security interest in all the rights and interests in HACDC’s collateral note with FDI and by a lien against the financed property.

Sakowitz – In 2009, HACDC entered into a $3,000,000 loan agreement with the City to provide HOME funding for a loan to be made by HACDC to Sakowitz to fund a portion of the construction costs for this property. Under the terms of the agreement, the loan plus accrued interest will be forgiven 15 years after completion of the facility (in 2025), provided HACDC complies with the provisions of the agreement. The loan from the City is secured by a security interest in all the rights and interests in HACDC’s collateral note with Sakowitz and by a lien against the financed property.

Perry – In 2011, HACDC entered into a $3,000,000 deferred-payment loan agreement with the City to provide HOME funding for a loan to be made by HACDC to Perry to fund a portion of the construction costs for this property. Under the terms of the agreement, the loan and accrued interest will be forgiven 15 years after completion of the facility (in 2027), provided HACDC complies with the provisions of the contract. The loan from the City is secured by a security interest in all the rights and interests in HACDC’s collateral note with Perry and by a lien against the property.

Rittenhouse – In 2012, HACDC entered into a $1,600,000 grant agreement with the City to provide funding through the City’s Homeless and Housing Consolidated Bond Fund program. In 2013, HACDC and the City amended the grant agreement increasing the available funds by $1,352,464 ($799,429 in State Housing Trust Funds and $553,035 in State Bond Revenue Funds) passed through the City from the Texas Department of Housing and Community Affairs’ Homeless and Housing Services program for a total grant amount of $2,952,464. This agreement is for a loan to be made by HACDC to Rittenhouse to fund a portion of the construction costs for this property. Under the terms of the grant agreement, the affordability period will expire 20 years after completion of the facility (in 2034), provided HACDC complies with the provisions of the contract.

Harrisburg – In 2016, HACDC entered into a deferred-payment loan agreement with the City totaling $5,986,233 to provide HOME funding for a loan to be made by HACDC to Harrisburg to fund a portion of the construction costs for this property. Under the terms of the agreement, the loan and accrued interest will be forgiven 20 years after completion of the facility, provided HACDC complies with the provisions of the contract. The loan from the City is secured by a security interest in all the rights and interests in HACDC’s collateral note with Harrisburg and by a lien against the property. In accordance with the City Agreement, HACDC entered into an agreement on April 7, 2016 to lend up to $5,986,233 to Harrisburg. The note bears interest at a rate of 3% per annum. Payments are payable solely from net cash flow available for distribution. The note matures on April 7, 2036. No amounts have been drawn from the City HOME funding in 2016.

Also in 2016, HACDC entered into a $631,500 grant agreement with the City to provide funding through the City’s Homeless and Housing Consolidated Bond Fund program. This agreement is for a loan to be made by HACDC to Harrisburg to fund a portion of the construction costs for this property. Under the terms of the grant agreement, the affordability period will expire 20 years after completion of the facility, provided HACDC complies with the provisions of the contract. In accordance with the City agreement, HACDC entered into an agreement on April 7, 2016 to lend up to $631,500 to Harrisburg. The note is secured by a deed of trust on Harrisburg's property. The note bears no interest. Payments are payable solely from net cash flow available for distribution. The note matures on April 7, 2036. At December 31, 2016, there were no amounts drawn under this agreement.
Reed – In 2016, HACDC entered into a $10,100,000 grant agreement with the City to provide funding through the City’s Homeless and Housing Consolidated Bond Fund program. This agreement is for a loan to be made by HACDC to Reed to fund a portion of the construction costs for this property. Under the terms of the grant agreement, the affordability period will expire 20 years after completion of the facility, provided HACDC complies with the provisions of the contract. In accordance with the City agreement, HACDC entered into an agreement on September 21, 2016 to lend up to $10,100,000 to Reed. The note is secured by a deed of trust on Reed's property. The note bears no interest. Payments are payable solely from net cash flow available for distribution. The note matures on September 21, 2056. At December 31, 2016, there was no outstanding principal balance. At December 31, 2016, no funds had been drawn down under this agreement.

NOTE 6 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through May 30, 2017, which is the date that the financial statements were available for issuance. As a result of this evaluation, no events were identified that are required to be disclosed or would have a material impact on reported net assets or changes in net assets.
Certification of Board Member Residence

New Hope Housing Dale Carnegie

I, Joy Horak-Brown, President & CEO of New Hope Housing, Inc. (“NHHI”) & Houston Area Community Development Corporation (“HACDC”), hereby certify that all Board Officers and Directors of both NHHI and HACDC live within 90 miles of the proposed development, New Hope Housing Dale Carnegie.

Signature

February 24, 2018

Date
**Development Team Members**

The requested information on all known Development Team members must be provided. In addition to the categories listed below, the “Other” category should be used to list all known Development Team members that are included in the “Development Cost Schedule.” If the team member that will be utilized is not yet known, indicate “TBD.” If it is anticipated that the Development Team category will not be utilized, indicate “N/A.”

*If there is a direct or indirect, financial, or other interest with Applicant or other team members, provide an attachment behind this form in the Application that explains the relationship(s).*

**Developer:**

<table>
<thead>
<tr>
<th>Contact Name</th>
<th>Phone</th>
<th>Certified Texas HUB?</th>
<th>Proposed Fee</th>
<th>Tax ID Number (TIN)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Joy Horak-Brown</td>
<td>(713) 222-0290</td>
<td>No</td>
<td>$3,010,538.46</td>
<td>76-0380705</td>
</tr>
<tr>
<td><a href="mailto:joy@newhopehousing.com">joy@newhopehousing.com</a></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>email</td>
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This is a direct or indirect, financial, or other interest with Applicant or other team members*   Yes

**Housing General Contractor:**

<table>
<thead>
<tr>
<th>Contact Name</th>
<th>Phone</th>
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<tbody>
<tr>
<td>Steve Hefner</td>
<td>(713) 354-2500</td>
<td>No</td>
<td>$916,840.47</td>
<td>76-0514789</td>
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<tr>
<td><a href="mailto:Shefner@camdenliving.com">Shefner@camdenliving.com</a></td>
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This is a direct or indirect, financial, or other interest with Applicant or other team members*   No

**Infrastructure General Contractor:**

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<tr>
<td><a href="mailto:Shefner@camdenliving.com">Shefner@camdenliving.com</a></td>
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This is a direct or indirect, financial, or other interest with Applicant or other team members*   No

**Cost Estimator:**

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This is a direct or indirect, financial, or other interest with Applicant or other team members*   

**Architect:**

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<tr>
<td>Ernest Maldonado</td>
<td>(713) 521-3353</td>
<td>Yes</td>
<td>$1,336,377.00</td>
<td>20-2461677</td>
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<tr>
<td><a href="mailto:ernesto@gsmarchitects.com">ernesto@gsmarchitects.com</a></td>
<td></td>
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This is a direct or indirect, financial, or other interest with Applicant or other team members*   No
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<th>Role</th>
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<th>Contact Name</th>
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<th>This is a direct or indirect, financial, or other interest with Applicant or other team members?</th>
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<tbody>
<tr>
<td>Engineer</td>
<td>Pinnacle Structural</td>
<td>Pete Dean</td>
<td>(713) 707-8911</td>
<td><a href="mailto:PD@pinnaclestructural.com">PD@pinnaclestructural.com</a></td>
<td>$117,500.00</td>
<td>20-2461677</td>
<td>No</td>
<td>No</td>
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<tr>
<td>Civil Engineer</td>
<td>Brewer Escalante</td>
<td>David Brewer</td>
<td>(832) 615-0301</td>
<td><a href="mailto:dbrewer@brewer-escalante.com">dbrewer@brewer-escalante.com</a></td>
<td>$117,500.00</td>
<td>76-0497512</td>
<td>No</td>
<td>No</td>
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<tr>
<td>Market Analyst</td>
<td>Affordable Housing</td>
<td>Robert Coe, II</td>
<td>(281) 387-7552</td>
<td><a href="mailto:robertcoe2@gmail.com">robertcoe2@gmail.com</a></td>
<td>$10,000.00</td>
<td>44-8649731</td>
<td>No</td>
<td>No</td>
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<tr>
<td>Appraiser</td>
<td>N/A</td>
<td>Barry Palmer</td>
<td>(713) 651-0111</td>
<td><a href="mailto:bpalmer@coatsrose.com">bpalmer@coatsrose.com</a></td>
<td>$165,000.00</td>
<td>76-0294490</td>
<td>No</td>
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</tr>
<tr>
<td>Attorney</td>
<td>Coats, Rose, Yale,</td>
<td>Barry Palmer</td>
<td>(713) 651-0111</td>
<td><a href="mailto:bpalmer@coatsrose.com">bpalmer@coatsrose.com</a></td>
<td>$165,000.00</td>
<td>76-0294490</td>
<td>No</td>
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</tr>
<tr>
<td>Accountant</td>
<td>Novogradac &amp; Company</td>
<td>Susan Wilson</td>
<td>(512) 340-0420</td>
<td><a href="mailto:susan.wilson@novoco.com">susan.wilson@novoco.com</a></td>
<td>$35,000.00</td>
<td>P00545142</td>
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### Property Manager:

<table>
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<tr>
<th>Name</th>
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<tbody>
<tr>
<td>New Hope Housing, Inc.</td>
<td>(713) 222-0290</td>
</tr>
<tr>
<td>Tamara Foster</td>
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<tr>
<td><a href="mailto:tjf@newhopehousing.com">tjf@newhopehousing.com</a></td>
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| Certified Texas HUB?      | No             |

| This is a direct or indirect, financial, or other interest with Applicant or other team members* | Yes |

### Originator of Underwriter:

<table>
<thead>
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<th>Contact Name</th>
<th>Phone</th>
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<tr>
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| Certified Texas HUB?      | No             |

| This is a direct or indirect, financial, or other interest with Applicant or other team members* |   |

### Bond Issuer:

<table>
<thead>
<tr>
<th>Name</th>
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| Certified Texas HUB?      | No             |

| This is a direct or indirect, financial, or other interest with Applicant or other team members* |   |

### Syndicator:

<table>
<thead>
<tr>
<th>Name</th>
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<tbody>
<tr>
<td>National Equity Fund</td>
<td>(312) 697-6166</td>
</tr>
<tr>
<td>Stewart Jester</td>
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<table>
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<tbody>
<tr>
<td><a href="mailto:sjester@nefinc.org">sjester@nefinc.org</a></td>
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<td>36-4326848</td>
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| Certified Texas HUB?      | No             |

| This is a direct or indirect, financial, or other interest with Applicant or other team members* | Yes |

### Supportive Services Provider:

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<tr>
<th>Name</th>
<th>Phone</th>
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</thead>
<tbody>
<tr>
<td>New Hope Housing, Inc.</td>
<td>(713) 222-0290</td>
</tr>
<tr>
<td>Sarah Mangrem</td>
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<table>
<thead>
<tr>
<th>Email</th>
<th>Proposed Fee</th>
<th>Tax ID Number (TIN)</th>
</tr>
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<tbody>
<tr>
<td><a href="mailto:sarah@newhopehousing.com">sarah@newhopehousing.com</a></td>
<td>$0.00</td>
<td>73-1419279</td>
</tr>
</tbody>
</table>

| Certified Texas HUB?      | No             |

<p>| This is a direct or indirect, financial, or other interest with Applicant or other team members* |   |</p>
<table>
<thead>
<tr>
<th>Title Company</th>
<th>Contact Name</th>
<th>Phone</th>
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<tbody>
<tr>
<td>Stewart Title</td>
<td>Carol Wright</td>
<td>(713) 625-8554</td>
</tr>
<tr>
<td>Email</td>
<td><a href="mailto:carwrigh@stewart.com">carwrigh@stewart.com</a></td>
<td>$195,000.00</td>
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<td>Tax ID Number (TIN)</td>
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<td>No</td>
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**ESA Provider:**

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<tr>
<th>Phase Engineering</th>
<th>Melanie Edmundson</th>
<th>(713) 476-9844</th>
</tr>
</thead>
<tbody>
<tr>
<td>Email</td>
<td><a href="mailto:melanie@phaseengineering.com">melanie@phaseengineering.com</a></td>
<td>$10,000.00</td>
</tr>
<tr>
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<tr>
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**PCA Provider:**

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<tr>
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The form for the certification will be posted to the Department's website at http://www.tdhca.state.tx.us/multifamily/apply-for-funds.htm.

NOTE: The certification requires a separate statement be submitted that describes how the accessibility requirements for the physically accessible /hearing and visual impaired Units will be met, along with related parking requirements. Be sure this statement is attached to this certification.
I (We) certify that the Development will be designed and built to meet the accessibility requirements of the Federal Fair Housing Act as implemented by HUD at 24 C.F.R. Part 100 and the Fair Housing Act Design Manual, Titles II and III of the Americans with Disabilities Act (42 U.S.C. Sections 12131-12189) as implemented by the Department of Justice regulations at 28 C.F.R. Parts 35 and 36, and the Department’s Accessibility rules in 10 TAC Chapter 1, Subchapter B, in effect at the time of certification.

I (we) certify that all materials submitted to the Department by the Architect or Applicant constitute records of the Department subject to Chapter 552, Tex. Gov’t Code, and the Texas Public Information Act.

I (We) certify that in accordance with Section 504 of the Rehabilitation Act of 1973 and implemented at 24 C.F.R. Part 8, if the Development includes the New Construction or substantial rehabilitation of multifamily units (4 or more units per building), at least five percent (5%) of all dwelling units will be designed and built to be accessible for persons with mobility impairments. A unit that is on an accessible route and is adaptable and otherwise compliant with the 2010 ADA Standards with the exceptions listed in “Nondiscrimination on the Basis of Disability in Federally Assisted Programs and Activities” (Federal Register 79 FR 29671) meets this requirement. In addition, at least two percent (2%) of all dwelling units will be designed and built to be accessible for persons with hearing or vision impairments.

I (We) have attached a statement describing how the requirements Section 504 of the Rehabilitation Act of 1973 and implemented at 24 C.F.R. Part 8 will be met as described in 10 TAC Chapter 1, Subchapter B. At a minimum, the statement will include (1) The total number of Units (2) Number and description of Unit types, the number of Units of each Type, (3) Number of Units of each Type that will meet the accessibility requirements, and (4) a description of how the accessibility requirements relating to Unit distribution will be met.

I (We) certify that if the Development includes the New Construction or Rehabilitation of single family units (1 to 3 units per building), every unit will be designed and built to meet the accessibility requirements of Tex. Gov’t Code §2306.514, as it may be amended from time to time.

I (We) have attached a statement describing how, regardless of building type, all Units accessed by the ground floor or by elevator (“affected units”) meet the requirements at 10 TAC §10.101(b)(8)(B).

I(We) certify that all accessible Units under 10 TAC Chapter 1, Subchapter B, and all affected Units meeting the requirements under 10 TAC 10.101(b)(8)(B) will be dispersed throughout the Development.
If the Applicant is applying for HOME funds and the Development consists of New Construction, I (We) further certify that the Development meets the Construction Site Standards in 24 C.F.R §983.57(e)(1).

This certification meets the requirement that the Applicant provide a certification from the Development engineer or an accredited architect. A similar certification will also be required after the Development is completed from an inspector, architect, or accessibility specialist.

By: ______________________________

Signature

23 FEB 2018

Date

Ernesto Maldonado

Printed Name

12924 State of Texas

License Number and State

GSMA, Inc.

Firm Name (If applicable)
ARCHITECT’S SECTION 504 STATEMENT  
LIHTC Project: New Hope Dale Carnegie  
GSMA, Inc.  

26 FEB 2018  

GSMA, Inc., as Architects of Record for New Hope Dale Carnegie, certify that the project will meet the requirements of Section 504 of the Rehabilitation Act of 1973 and implemented at 24 C.F.R. Part 8 will be met as described in 10 TAC Chapter 1, Subchapter B.  

Unit Type ‘A’ is designed as a fully accessible unit per Section 504. 170 units total, which includes 9 Type ‘A’ accessible units.  

Since all floors of the project are served by elevator, every unit will be Fair Housing Accessible. Also, 5% of the 170 units will be fully accessible per Section 504 (total of 9 units). There will be an additional 2% of the total unit count (4) that will be supplied with Sight & Hearing Impaired devices.  

\[Signature\]  
Sr. Project Architect  

26 FEB 2018  
Date
Evidence of Experience Must be Provided Behind this Tab

Pursuant to §10.204(6) of the Uniform Multifamily Rules, a Principal of the Developer, Development Owner, or General Partner must establish that they have experience in the development of 150 units or more.

Evidence of experience behind this tab includes:

- An Experience certificate issued by the Department under the 2014-2018 Uniform Multifamily Rules.
- An Application for experience and supporting documentation in accordance with §10.204(6)(A)(i) through (ix)
- Evidence from the Department that the application for experience was received and is being processed by the Department.

Alternatively, pursuant to §13.5(d)(1) of the Multifamily Direct Loan Rule, Applicants requesting MFDL as the only source of Department funds may meet the Experience Requirement by providing evidence of the successful development and operation for at least 5 years of at least twice as many affordability restricted units as requested in the Application.

- Documentation provided behind this tab meets the alternative Experience Requirement in §13.5(d)(1).

DUNS Number and System for Award Management (SAM.gov) registration (Direct Loan Applications Only)

The Office of Management and Budget (OMB) requires grant applicants to provide a Dunn and Bradstreet (D&B) Data Universal Numbering System (DUNS) number when applying for Federal grants, including Direct Loan funds, on or after October 1, 2003. The DUNS number will supplement other identifiers required by statute or regulation, such as tax identification numbers. To apply for a DUNS number applicants can go to the Dunn & Bradstreet website: [http://fedgov.dnb.com/webform](http://fedgov.dnb.com/webform)

Once applicants have obtained a DUNS number, they must register with the SAM database: [https://sam.gov/portal/public/SA](https://sam.gov/portal/public/SA)

Applicants may provide this information with the Application or upon award.

- Evidence of SAM.gov registration for the applicant entity is attached behind this tab.

Davis Bacon Labor Standards (Section 811 PRA Program and Direct Loan Applications)

24 CFR §92.354, Davis-Bacon Act (40 U.S.C. §§276(a)-276(a)(5), the Davis-Bacon Related Acts, the Contract Work Hours and Safety Standards Act, and the Copeland (Anti-Kickback) Act (40 U.S.C. §276(c)) apply to developments being assisted with Direct Loan funds if (Select all that apply):

- Twelve (12) or more Direct Loan or Section 811 PRA-assisted units will be rehabilitated or constructed under one construction contract. The Section 811 PRA units and Direct Loan Units are not cumulative. For example, if a proposed development has ten Section 811 PRA units and ten Direct Loan-assisted units, Davis Bacon would not be triggered.
- Community Development Block Grant (CDBG) funds are being used to support the Development, which requires a lower number of units (8) be used as a threshold.

Applicants electing to participate in the Section 811 PRA Program either by committing an Existing Development to the Section 811 PRA Program or by committing a Proposed Development in this Application are encouraged to review §PRA.213 Davis Bacon Labor Standards in the Section 811 Program Guidelines, found on the TDHCA webpage at [http://www.tdhca.state.tx.us/section-811-pra/resource-documents.htm](http://www.tdhca.state.tx.us/section-811-pra/resource-documents.htm)

Existing Developments where construction is fully complete before an application for a Proposed Development is submitted to the Department to receive assistance under the 811 PRA program are not subject to Davis-Bacon or Contract Work Hours and Safety Standards Act requirements.

Affirmative Marketing Plan (Direct Loan Applications Only)

Complete and submit HUD’s Affirmative Marketing Plan form (Form 935.2 or successors). This form may be found on the Department’s website at [http://www.tdhca.state.tx.us/home-division/mf-home/index.htm](http://www.tdhca.state.tx.us/home-division/mf-home/index.htm)

The Affirmative Marketing Plan must comply with the Affirmative Marketing requirements in the Compliance Rules.

HUD approval is not necessary unless the property receives project-based Section 8 assistance.
February 28, 2014

Mrs. Joy Horak-Brown
c/o Emily Abeln
1117 Texas Avenue
Houston, Texas 77002

RE: REQUEST FOR EXPERIENCE CERTIFICATE UNDER 2014 UNIFORM MULTIFAMILY RULES

Dear Mrs. Horak-Brown:

We have reviewed your request for an experience certificate, which is provided to individuals that meet the requirements of §10.204(6) of the Uniform Multifamily Rules. In order to meet the experience requirements an individual must establish that they have experience in the development and placement in service of at least 150 residential units. We find that the documentation you have provided is sufficient to establish this required experience. Additionally, you have certified to compliance with the requirements of §10.204(6)(B), including the following requirements:

(ii) Experience may not be established for a Person who at any time within the preceding three years has been involved with affordable housing in another state, in which the Person or Affiliate has been the subject of issued IRS Form 8823 citing non-compliance that has not been or is not being corrected with reasonable due diligence. ...

(iv) Notwithstanding the foregoing, no person may be used to establish such required experience if that Person or an Affiliate of that Person would not be eligible to be an Applicant themselves.

Should you choose to participate as a member of the Development Team or an individual providing experience for any Application submitted for funding, a Previous Participation Review (10 TAC §1.5) may be conducted prior to any award of funds. Additionally, should it be determined at any point in time that the information provided in your request for experience is fraudulent, knowingly falsified, intentionally or negligibly materially misrepresented, or omits relevant information, this certificate of experience is null and void and you may be subject to other sanctions under the Texas Department of Housing and Community Affairs’ rules and requirements.
If you have any questions or concerns regarding this certificate or the experience requirements, please contact Jean Latsha at jean.latsha@tdhca.state.tx.us.

Sincerely,

[Signature]

Cameron E. Dorsey  
Director of Multifamily Finance
Pursuant to §11.4(a) of the Qualified Allocation Plan, the Department shall not allocate more than $3 million of Competitive Housing Tax Credits from the current Application Round to any Applicant, Developer, Affiliate or Guarantor (unless the Guarantor is also the General Contractor, and is not a Principal of the Applicant, Developer, or Affiliate of the Development Owner). All Applications must be identified herein to ensure that the Department is advised of all Applications, Applicants, Affiliates, Developers, General Partners or Guarantors involved to avoid any statutory violation of Texas Government Code, §2306.6711(b).

Instructions:

Complete Part I of this form. For each person or entity in Part I that answers "Yes" to Part I b., a Part II form must be submitted (i.e. if 4 persons/entities answer "Yes" to Part I b., then 4 separate Part II forms must be provided).

Part I. Applicant Credit Limit Documentation

<table>
<thead>
<tr>
<th></th>
<th>Applicant, Developers, Affiliates, and Guarantors - List below all entities or Persons meeting the definition of Applicant, Affiliate, Developer or Guarantor.</th>
<th></th>
<th>b. Person/entity has at least one other application in the current Application Round.</th>
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<tr>
<td>1.</td>
<td>Dale Carnegie SRO, Ltd.</td>
<td>No</td>
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<td>2.</td>
<td>NHH at Dale Carnegie, LLC</td>
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<td>3.</td>
<td>Houston Area Community Development Corporation (HACDC)</td>
<td>No</td>
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<td>4.</td>
<td>New Hope Housing, Inc. (NHHI)</td>
<td>No</td>
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<td>5.</td>
<td>Michael M. Fowler</td>
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<td>6.</td>
<td>Sanford W. Criner, Jr</td>
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<td>Emily Abein</td>
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</table>

Individually, or as the General Partner(s) of officer(s) of the Applicant entity, I (we) certify that we are submitting behind this tab one signed Credit Limit Certification form for each person and/or entity that answered "Yes" to Part b. above.

By: [Signature of Applicant]  
Date: 2/28/2018  
Its: President & CEO of HACDC & NHHI
Applicant Credit Limit Documentation and Certification (Competitive HTC Only)

Pursuant to §11.4(a) of the Qualified Allocation Plan, the Department shall not allocate more than $3 million of Competitive Housing Tax Credits from the current Application Round to any Applicant, Developer, Affiliate or Guarantor (unless the Guarantor is also the General Contractor, and is not a Principal of the Applicant, Developer, or Affiliate of the Development Owner). All Applicants must be identified herein to ensure that the Department is advised of all Applications, Applicants, Affiliates, Developers, General Partners or Guarantors involved to avoid any statutory violation of Texas Government Code, §2306.6711(b).

Instructions:
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Individually, or as the General Partner(s) of officer(s) of the Applicant entity, I (we) certify that we are submitting behind this tab one signed Credit Limit Certification form for each person and/or entity that answered "Yes" to Part b. above.

By: ____________________________
Signature of Applicant

Rev. 5/14/2018
Date

Its: President & CEO of HACDC & NHHI
## Community Input Scoring Items

<table>
<thead>
<tr>
<th>TDHCA#</th>
<th>18137</th>
</tr>
</thead>
</table>

### 1. Local Government Support - §11.9(d)(1)

- **Resolution(s) of either “no objection” or “support” is included behind this tab.**
  - **Note that resolutions are due March 1, 2018**

### 2. Community Support from State Representative - §11.9(d)(5)

- **Letter of either “support” or “opposition” is included behind this tab.**
  - **Note that letters are due March 1, 2018**

### 3. Input from Community Organizations - §11.9(d)(6)

- **Applicant has included one or more letters of support or opposition behind this tab.**

  List information for each of the letters below:

**A. Avenue 360**

- **Name of Community Organization**
  - Joe E. Fuentes, Jr.
- **Contact Name**
  - Avenue 360

**B. Healthcare for the Homeless**

- **Name of Community Organization**
  - Frances E. Isabell
- **Contact Name**
  - Healthcare for the Homeless

**C. Connect Community**

- **Name of Community Organization**
  - Anne Whitlock
- **Contact Name**
  - Connect Community

**D. SEARCH Homeless Services**

- **Name of Community Organization**
  - Thao Costis
- **Contact Name**
  - SEARCH Homeless Services
A RESOLUTION CONFIRMING SUPPORT FOR THE PROPOSED DEVELOPMENT AS AFFORDABLE RENTAL HOUSING OF CERTAIN PROPERTIES, EACH LOCATED IN THE CITY OF HOUSTON, TEXAS, AND THE SUBMITTAL OF APPLICATIONS FOR HOUSING TAX CREDITS FOR SUCH DEVELOPMENTS; MAKING VARIOUS FINDINGS AND PROVISIONS RELATING TO THE SUBJECT.

* * *

WHEREAS, the City Council (the "City Council") of the City of Houston (the "City") finds that each of the entities whose name is listed in the column on Schedule I captioned "Applicant Name" (individually referred to as "Applicant") has proposed a development for affordable rental housing whose name and location are set forth beside the name of such Applicant in the columns on Schedule I captioned "Project Name" and "Project Address" (individually referred to as "Applicant’s Project" with respect to the Applicant whose name is listed beside such information), each located in the City of Houston, Texas; and

WHEREAS, the City Council finds that each Applicant has advised that it has submitted or intends to submit an application, bearing the number set forth beside the name of such Applicant in the column on Schedule I captioned "TDHCA Number" (individually referred to as "Applicant’s Application" with respect to the Applicant whose name is listed beside such TDHCA Number), to the Texas Department of Housing and Community Affairs for 2018 Competitive 9% Housing Tax Credits for the Development; and

WHEREAS, the City Council, as the governing body of the City, supports each Applicant’s Project and the submittal of Applicant’s Application related thereto; NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HOUSTON:

Section 1. That the findings contained in the preamble of this Resolution are determined to be true and correct and are hereby adopted as a part of this Resolution.

Section 2. That the City Council hereby confirms that it supports each Applicant’s Project and the submittal of Applicant’s Application related to such project.

Section 3. That this Resolution shall take effect immediately upon its passage and approval by the Mayor; however, in the event that the Mayor fails to sign this Resolution within five days after its passage and adoption, it shall take effect in accordance with Article VI, Section 6, Houston City Charter.
PASSED AND ADOPTED this 14th day of February, 2018.

Mayor of the City of Houston

Pursuant to Article VI, Section 6, Houston City Charter, the effective date of the foregoing Resolution is 02/20/2018.

City Secretary

(Prepared by Legal Dept.)
Senior Assistant City Attorney

(Requested by Tom McCasland, Director, Housing and Community Development Department)

<table>
<thead>
<tr>
<th>AYE</th>
<th>NO</th>
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<tbody>
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<td></td>
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<td>***</td>
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</tr>
</tbody>
</table>

MAYOR TURNER

COUNCIL MEMBERS

- Stardig
- Davis
- Cohen
- Boykins
- Martin
- Le
- Travis
- Cisneros
- Gallegos
- Last
- Green
- Knox
- Robinson
- Kubosh
- Absent-ON PERSONAL BUSINESS
- Edwards
- Christie

CAPTION PUBLISHED IN DAILY COURT REVIEW DATE: 02/20/2018

MAY 07 Rev. 12/15
## Housing and Community Development Department
### Schedule I - Resolutions of Support - City of Houston Projects

<table>
<thead>
<tr>
<th>Applicant Name</th>
<th>Project Name</th>
<th>Project Address</th>
<th>TDHCA Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>NH Flintlock LP</td>
<td>Flintlock Apartments</td>
<td>SEC of West Little York and Flintlock Road</td>
<td>18354</td>
</tr>
<tr>
<td>NH WLY LP</td>
<td>West Little York Apartments</td>
<td>West Little York between Hollister Rd and Guhn Rd</td>
<td>18355</td>
</tr>
<tr>
<td>AMTEX Green Oaks LP</td>
<td>Green Oak Apartments</td>
<td>8.671 acres enclosed by Gears Road, Greens Parkway and Greensmark Drive</td>
<td>18093</td>
</tr>
<tr>
<td>Greens at Roanoke LP</td>
<td>Greens at Roanoke</td>
<td>SWC of Jensen Dr and Grayson St</td>
<td>18703</td>
</tr>
<tr>
<td>Parkway Meadows, Ltd.</td>
<td>Parkway Meadows</td>
<td>The approximate 3300 block of West Gulf Bank, north of West</td>
<td>18073</td>
</tr>
<tr>
<td>St. Elizabeth Place, LP</td>
<td>St. Elizabeth Place</td>
<td>4514 Lyons Avenue</td>
<td>18020</td>
</tr>
<tr>
<td>Houston DMA Housing II, LLC</td>
<td>The Greenery</td>
<td>18000 block of Imperial Valley Dr</td>
<td>18338</td>
</tr>
<tr>
<td>DWR Somerset 18 LP</td>
<td>Somerset Lofts</td>
<td>2.63+/- acres at 8506 Hempstead Rd</td>
<td>18254</td>
</tr>
<tr>
<td>2222 Cleburne LP</td>
<td>2222 Cleburne</td>
<td>2222 Cleburne</td>
<td>18243</td>
</tr>
<tr>
<td>Houston DMA Housing III, LLC</td>
<td>City Park Apartments</td>
<td>NW corner of W Orem Drive and US HWY 288</td>
<td>18591</td>
</tr>
<tr>
<td>Monroe Crossing, LP</td>
<td>Monroe Crossing</td>
<td>Approx 8500 Blk of Fuqua (NEC of Fuqua &amp; Monroe)</td>
<td>18161</td>
</tr>
<tr>
<td>Trinity East Ltd.</td>
<td>Trinity East</td>
<td>SWC of McGowen St and Live Oak St</td>
<td>18049</td>
</tr>
<tr>
<td>Provision at Synott, LP</td>
<td>Provision at Synott</td>
<td>West Side of Synott Rd, N of W Bellfort Blvd</td>
<td>18382</td>
</tr>
<tr>
<td>Campanile on Commerce LP</td>
<td>Campanile on Commerce</td>
<td>2800 Commerce St</td>
<td>18306</td>
</tr>
<tr>
<td>Fulton Lofts, LP</td>
<td>Fulton Lofts</td>
<td>SW Corner of Fulton St and Robert Lee Rd</td>
<td>18333</td>
</tr>
<tr>
<td>Houston 5009 Fulton, LP</td>
<td>Fulton on the Rail</td>
<td>5009 Fulton St</td>
<td>18337</td>
</tr>
<tr>
<td>McKee City Living LP</td>
<td>McKee City Living</td>
<td>600 blk of McKee Street</td>
<td>18299</td>
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<tr>
<td>East End Lofts, LP</td>
<td>East End Lofts</td>
<td>NE corner of Harrisburg Blvd and 75th Street</td>
<td>18336</td>
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<tr>
<td>BAH Lancaster Senior Village, Ltd.</td>
<td>Lancaster Senior Village</td>
<td>Telephone Rd</td>
<td>18138</td>
</tr>
<tr>
<td>Leeland Lofts. Ltd.</td>
<td>Leeland Lofts</td>
<td>3131 Gulf Freeway</td>
<td>18046</td>
</tr>
<tr>
<td>Provision at Lake Houston, LP</td>
<td>Provision at Lake Houston</td>
<td>East Side of HWY 90 at S Lake Houston Pkwy</td>
<td>18383</td>
</tr>
<tr>
<td>Scott Street Lofts, LP</td>
<td>Scott Street Lofts</td>
<td>1320 Scott St</td>
<td>18327</td>
</tr>
<tr>
<td>TX Bellfort Apartments, LP</td>
<td>Bellfort Park Apartments</td>
<td>4135 W Bellfort</td>
<td>18229</td>
</tr>
<tr>
<td>DWR Court 18, LP</td>
<td>Court Lofts</td>
<td>SEC of Court Rd. &amp; S. Post Oak Rd.</td>
<td>18226</td>
</tr>
<tr>
<td>BAH Rockwell Senior Village, Ltd.</td>
<td>Rockwell Senior Village</td>
<td>SW side of Beltway &amp; between Rockwell Blvd &amp; W Fuqua Drive</td>
<td>18397-</td>
</tr>
</tbody>
</table>
February 27, 2018

TDHCA
Tim Irvine, Executive Director
221 East 11th Street
Austin, TX 78701
tim.irvine@tdhca.state.tx.us

RE: TDHCA Application 18137, New Hope Housing Dale Carnegie

Dear Mr. Irvine:

I am writing this letter to voice my support for TDHCA Tax Credit Application 18137 (New Hope Housing Dale Carnegie) to be located at the southeast corner of Dale Carnegie Ln. and Regency Square Blvd. in Houston, TX 77036 (Harris County). There is a need for supportive housing that is affordable to our most-vulnerable citizens and this New Hope Housing development will help fulfill that need.

Sincerely,

[Signature]

Gene Wu
Texas State Representative
District 137

CC: Joy Horak-Brown, joy@newhopehousing.com
February 19, 2018

Ms. Marni Holloway  
Director of Multifamily Finance  
Texas Department of Housing and Community Affairs  
221 E. 11th Street  
Austin, TX  78701

Dear Ms. Holloway,

I am writing to state my strong support for TDHCA Application #18137, New Hope Housing Dale Carnegie, to be located at the SE Corner of Regency Square Boulevard and Dale Carnegie Lane in Houston, Harris County, Texas 77036. I can assure you that the Houston community is in dire need of additional supportive housing, as Hurricane Harvey has rendered more citizens homeless or without a sanitary place to live. This also includes the need for medical, oral health, behavioral health, and housing-related services. Avenue 360 Health and Wellness addresses these needs as a Federally Qualified Healthcare Center (FQHC.)

This site is in the service area of Avenue 360 (formerly known as Houston Area Community Services), as our service area encompasses the entire Houston metropolitan area. Avenue 360 is a 501(c)(3) organization established in 1998 to provide affordable, quality medical care, a pharmacy, behavioral health services and living assistance to individuals and families residing in Harris County and the surrounding areas. Avenue 360 offers robust case management services and referrals to healthcare clinics at two of New Hope’s current single room occupancy (SRO) properties. Because of our relationship with New Hope, we have first-hand knowledge of their excellent properties and exemplary management.

Please accept my letter and look with favor on TDHCA Application #18137 for tax credits, which will help create a 170-unit property serving individuals.

Sincerely,

Joe E. Fuentes, Jr., MBA

Joe E. Fuentes, Jr., MBA  
Chief Executive Officer
Dear Applicant:

This modifies our letter of the above date in which we stated that you would be treated as an organization that is not a private foundation until the expiration of your advance ruling period.

Your exempt status under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3) is still in effect. Based on the information you submitted, we have determined that you are not a private foundation within the meaning of section 509(a) of the Code because you are an organization of the type described in section 509(a)(1) and 170(b)(1)(A)(vi).

Grantors and contributors may rely on this determination unless the Internal Revenue Service publishes notice to the contrary. However, if you lose your section 509(a)(1) status, a grantor or contributor may not rely on this determination if he or she was in part responsible for, or was aware of, the act or failure to act, or the substantial or material change on the part of the organization that resulted in your loss of such status, or if he or she acquired knowledge that the Internal Revenue Service had given notice that you would no longer be classified as a section 509(a)(1) organization.

You are required to make your annual information return, Form 990 or Form 990-EZ, available for public inspection for three years after the later of the due date of the return or the date the return is filed. You are also required to make available for public inspection your exemption application, any supporting documents, and your exemption letter. Copies of these documents are also required to be provided to any individual upon written or in person request without charge other than reasonable fees for copying and postage. You may fulfill this requirement by placing these documents on the Internet. Penalties may be imposed for failure to comply with these requirements. Additional information is available in Publication 557, Tax-Exempt Status for Your Organization, or you may call our toll free number shown above.

If we have indicated in the heading of this letter that an addendum applies, the addendum enclosed is an integral part of this letter.
Because this letter could help resolve any questions about your private foundation status, please keep it in your permanent records.

If you have any questions, please contact the person whose name and telephone number are shown above.

Sincerely yours,

Lois G. Lerner
Director, Exempt Organizations
Your health is just that: yours.
And we'll help you keep it that way.

MEDICAL. DENTAL.
BEHAVIORAL HEALTH.
HOUSING. SUPPORT.
At Avenue 360 Health & Wellness, we guide our patients so they can reach better health outcomes and attain a better life. We know that individual paths are not the same, so we provide a full range of services to promote a 360-degree approach to healthcare. No matter what path our patients are on, Avenue 360 is there to support them and give them the care they need.

**Our Services**

Avenue 360 Health & Wellness offers a holistic solution for those seeking a medical home. The patient is the center of our model; giving everyone we serve a collaborative choice for their healthcare needs.

We care for the whole person, the whole community and the whole city.

- **Family Practice**
- **Internal Medicine**
- **Dental**
- **Behavioral Health & Psychiatry**
- **Medical Case Management**
- **Housing Support**
- **OB/GYN**
- **Pediatrics**
- **Pharmacy**
- **Healthcare Support**

---

**Find your new medical home. Schedule an appointment!**

**Main Campus**
2150 West 18th Street, Suite 300
Houston, TX 77008
(713.426.0027)
**Hours**
Monday - Thursday: 8 AM - 6 PM
Friday: 8 AM - 5 PM

**Spring Cypress**
17010 Sugar Pine Drive
Houston, TX 77090
(281.537.8627)
**Hours**
Monday - Friday: 8 AM - 5 PM

**Montrose**
Dental Clinic
1427 Hawthorne Street
Houston, TX 77006
(713.341.3790)
**Hours**
Monday - Friday: 8 AM - 5 PM
**Day Treatment Center**
1429 Hawthorne Street
Houston, TX 77006
(713.341.3750)
**Hours**
Monday - Friday: 7 AM - 5 PM

**Memorial City**
Medical Plaza 1
902 Frostwood Drive, Suite 142
Houston, TX 77024
(713.827.8266)
**Hours**
Monday: 8 AM - 7 PM
Tuesday - Friday: 8 AM - 5 PM

**Omega House**
602 Branard Street
Houston, TX 77006
(713.523.7110)
**Hours**
24/7
For over 30 years, Houston Area Community Services and Bering Omega have worked to bring health services to an underserved population of Houston. In November of 2016, Houston Area Community Services and Bering Omega merged to join forces as a Federally Qualified Health Center (FQHC) under the new name Avenue 360 Health & Wellness.

The new name is a representation of a literal avenue—a path one takes to get to their destination. It is a point of access. Together, we guide our patients so they are able to reach better health outcomes and attain a better life. But individual paths are not linear and we provide a full range of services to
promote a 360-degree approach to healthcare. No matter what path our patients are on, Avenue 360 is there to support them and give them the care they need.

Avenue 360 Health & Wellness offers a holistic solution for those seeking a medical home. The patient is the center of our model, giving our patients a collaborative choice for their healthcare needs. We care for the whole person, meaning that whether someone needs a diagnosis, a prescription for flu medicine, a stable place to live or a partner in wellness Avenue 360 Health & Wellness is there. Our whole community approach means that everyone is served, from families needing a primary care doctor to those who want to spend their last days in dignity. We represent that “We’re all in this together,” spirit.

We care for the whole person, the whole community and the whole city—we’ve done this for decades and will continue to do so for decades more.

Houston Area Community Services History

Before Avenue 360 Health & Wellness existed, Houston Area Community Services, a not-for-profit 501(c) (3) organization, was established in 1998 to provide affordable, quality medical care, a pharmacy, behavioral health services and living assistance to individuals and families residing in Harris County and the surrounding areas.

In 1997 the Founder and current CEO of Avenue 360 Health & Wellness, Joe Fuentes, realized the need for a health organization that would provide essential and specialty health services to patients living with chronic conditions such
to patients living with chronic conditions such as HIV/AIDS. Although medical services were available for these individuals, many patients suffered from life issues extending far beyond the scope of traditional medical services. Mr. Fuentes saw that patients who found a stable living situation through housing programs were more likely to make their medical visits, take their prescribed medications and attend their behavioral counseling sessions. Quickly, it became apparent that patients who addressed their behavioral health and living environments experienced dramatic improvements in their physical health. They were able to self-manage their health and their lives.

Shortly after launching this model for HIV patients, Mr. Fuentes extended the approach to all eligible residents of Harris County who were faced with the same social determinants that contributed to poor health. Today, Avenue 360 Health & Wellness embodies this same determination and welcoming approach to their patients so that they can enjoy greater success in their personal life, in addition to an improved medical outlook.

**Bering Omega Community Services History**

The work of Bering Omega Community Services began in 1986 thanks to the tremendous efforts of volunteers from Christ Church Cathedral and Bering Memorial United Methodist Church. The Bering Community Service Foundation and Omega House were established to address the staggering challenges posed by a completely new and frightening epidemic. These agencies were created to provide compassionate care to
people living with HIV/AIDS virus and to their loved ones.

In 1986 Eleanor Munger, a retired 76-year-old Montessori school teacher, courageously founded Omega House, a residential hospice, to provide a safe and caring environment for people living through the final stages of HIV/AIDS. Omega House provided a safe haven to terminally ill AIDS patients discharged from the hospital with nowhere to go. With $10,000 in seed money from Christ Church Cathedral, Omega House opened as a four-bed, entirely volunteer-run home for people who could no longer be helped by the traditional medical community, and often had no family or loved ones to care for them in their final days. Omega House was a pioneering effort and Mrs. Munger paved the way by establishing the first residential hospice in Texas.

During this same time Bering Memorial United Methodist Church joined forces to offer a holistic approach to care for those living with HIV/AIDS and formed Bering Omega Community Services. The consolidation of these two well-established and highly respected HIV/AIDS service providers enabled Bering Omega Community Services to offer a wide range of healthcare and social services through a seamless delivery system for indigent, under-served and disenfranchised clients in the greater Houston Area.
February 13, 2018

Ms. Marni Holloway  
Director of Multifamily Finance  
Texas Department of Housing and Community Affairs  
221 E. 11th Street  
Austin, TX 78701

Dear Ms. Holloway,

I am writing in support of TDHCA Application #18137, New Hope Housing Dale Carnegie. This proposed 170-unit supportive housing property serving individuals will be located at the SE Corner of Regency Square Boulevard and Dale Carnegie Lane in Houston, Harris County, Texas 77036. This site is in the service area of Healthcare for the Homeless, as our service area encompasses the entire Houston metropolitan area.

Healthcare for the Homeless is a 501(c)(3) organization that offers health services for people who are literally living on the streets, in shelters, or in transitional or permanent supportive housing, and for those who are at risk of homelessness. We are Houston’s third Federally Qualified Health Center (FQHC) and we are the only private FQHC that provides care solely for those who are homeless. To that end, our services are unduplicated and fill an essential gap in Houston’s safety net system.

We offer medical services, including transportation to clinics, to residents at four of New Hope’s properties and will very soon expand to a fifth building. Because of our close working relationship with New Hope and its affiliates, we have direct experience with that fine organization and its very capable staff.

Please accept my letter in support of the Dale Carnegie proposal.

Sincerely,

Frances E. Isbell, M.A.  
Chief Executive Officer
Dear Applicant:

Based on information supplied, and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from federal income tax under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3).

We have further determined that you are not a private foundation within the meaning of section 509(a) of the Code, because you are an organization described in sections 509(a)(1) and 170(b)(1)(A)(vi).

If your sources of support, or your purposes, character, or method of operation change, please let us know so we can consider the effect of the change on your exempt status and foundation status. In the case of an amendment to your organizational document or bylaws, please send us a copy of the amended document or bylaws. Also, you should inform us of all changes in your name or address.

As of January 1, 1984, you are liable for taxes under the Federal Insurance Contributions Act (social security taxes) on remuneration of $100 or more you pay to each of your employees during a calendar year. You are not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Since you are not a private foundation, you are not subject to the excise taxes under Chapter 42 of the Code. However, if you are involved in an excess benefit transaction, that transaction might be subject to the excise taxes of section 4958. Additionally, you are not automatically exempt from other federal excise taxes. If you have any questions about excise, employment, or other federal taxes, please contact your key district office.

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for federal estate and gift tax purposes if they meet the applicable provisions of Code sections 2055, 2106, and 2522.

Letter 947 (DO/CG)
Contribution deductions are allowable to donors only to the extent that their contributions are gifts, with no consideration received. Ticket purchases and similar payments in conjunction with fundraising events may not necessarily qualify as deductible contributions, depending on the circumstances. See Revenue Ruling 67-246, published in Cumulative Bulletin 1967-2, on page 104, which sets forth guidelines regarding the deductibility, as charitable contributions, of payments made by taxpayers for admission to or other participation in fundraising activities for charity.

In the heading of this letter we have indicated whether you must file Form 990, Return of Organization Exempt From Income Tax. If Yes is indicated, you are required to file Form 990 only if your gross receipts each year are normally more than $25,000. However, if you receive a Form 990 package in the mail, please file the return even if you do not exceed the gross receipts test. If you are not required to file, simply attach the label provided, check the box in the heading to indicate that your annual gross receipts are normally $25,000 or less, and sign the return.

If a return is required, it must be filed by the 15th day of the fifth month after the end of your annual accounting period. A penalty of $20 a day is charged when a return is filed late, unless there is reasonable cause for the delay. However, the maximum penalty charged cannot exceed $10,000 or 5 percent of your gross receipts for the year, whichever is less. For organizations with gross receipts exceeding $1,000,000 in any year, the penalty is $100 per day per return, unless there is reasonable cause for the delay. The maximum penalty for an organization with gross receipts exceeding $1,000,000 shall not exceed $50,000. This penalty may also be charged if a return is not complete, so be sure your return is complete before you file it.

You are required to make your annual information return, Form 990 or Form 990-EZ, available for public inspection for three years after the later of the due date of the return or the date the return is filed. You are also required to make available for public inspection your exemption application, any supporting documents, and your exemption letter. Copies of these documents are also required to be provided to any individual upon written or in person request without charge other than reasonable fees for copying and postage. You may fulfill this requirement by placing these documents on the Internet. Penalties may be imposed for failure to comply with these requirements. Additional information is available in Publication 557, Tax-Exempt Status for Your Organization, or you may call our toll free number shown above.

You are not required to file federal income tax returns unless you are subject to the tax on unrelated business income under section 511 of the Code. If you are subject to this tax, you must file an income tax return on Form 990-T, Exempt Organization Business Income Tax Return. In this letter we are not determining whether any of your present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

You need an employer identification number even if you have no employees.
If an employer identification number was not entered on your application, a number will be assigned to you and you will be advised of it. Please use that number on all returns you file and in all correspondence with the Internal Revenue Service.

If we have indicated in the heading of this letter that an addendum applies, the enclosed addendum is an integral part of this letter.

Because this letter could help resolve any questions about your exempt status and foundation status, you should keep it in your permanent records.

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Sincerely yours,

[Signature]

Steven T. Miller
Director, Exempt Organizations
WHO IS HOMELESS?

Who is homeless?
Let's examine this question by what we see
We know there's lots of people on the corners
But is there another possibility?

Let me propose a hypothesis
Of who could fit this pedigree
How about the twenty year old worker who lost their job
How about you or me?

Situations and circumstances
And that old philosophy
Que sera, sera
Whatever will be, will be

We often never ponder the story behind the plight
Content to live our lives happily
Not realizing that at any time
This could very well become our reality

I bet many of you say
I certainly have no susceptibility
My life is set. All is well.
I survive on my ability

I know you are, because that's what I thought
Until of this war I became a casualty
Working in a plant, I got hurt on the job
Which ended my functionality

I thought the earthy treasures I'd amassed
Would provide me with sustainability
But in short order they ran out
Proving to be false security
All the people I had helped along the way
Abandoned me immediately
All alone and on my own
I wept in misery

But I don't stand here now
As a ploy for sympathy
Not by power or might
But by the promises of God in eternity

Although everyone has not made it out
They all possess that possibility
To rise above their present circumstances
And either return or obtain prosperity

Although we derive from all walks of life
No one is exempt completely
For the plight of homelessness
Could be anyone's destiny

So that is why we should take advantage
Of this afforded opportunity
Open your hearts and share
Freely and generously

BY CHARLOTTE GARNER

Charlotte came to Healthcare for the Homeless - Houston (HHH) in 2006 after arriving in Houston with 32 cents, the clothes on her back and nowhere to call home. Today, she is an advocate for ending homelessness as the Chair of HHH's Consumer Advisory Board. She is University of Houston Class of 2017, was inducted into the National Society of Leadership and Success, Sigma Alpha API Honor Society, is a licensed minister, certified Christian Counselor and active in prison ministry services. ...and she is our resident poet!
Dear Friends,

2016 was an incredible year for HHH in so many ways – one like no other! We opened the Caroline Street Clinic built to accommodate a clinical model developed through years of practice, learning how best to offer care to people experiencing homelessness. Our psychiatric, behavioral health and case management services are located just outside the exam rooms, eliminating the need to make another appointment and having to tell one’s story yet one more time. The new clinic is also so beautiful – I was touched when a young man stopped me on the stairs and said, with tears in his eyes, “I don’t know who you are, but thank you so much for building something so beautiful just for us.” In addition, HHH received national recognition for our work combining permanent supportive housing and wraparound clinical services, and the model we developed is being showcased in trainings around the nation. We live in a time in which many feel unsettled. HHH, however, remains dedicated to promoting health, hope and dignity. We are not deterred in our focus on our mission. Thank you for joining in our work and for your compassion for the people we serve.

Frances E. Isbell, CEO

On January 20, 2016, a broad and diverse collective of staff, supporters, clients, volunteers, local officials and community partners attended the ribbon-cutting ceremony at HHH’s new Caroline Street Clinic. Together we celebrated the culmination of a years-long process that led to the opening of HHH’s newest clinic, a beautifully renovated three-story building dedicated entirely to serving HHH’s mission. Looking back on 2016, our first year as a new homeowner, and seeing how our expanded physical and programmatic capacity has allowed HHH to touch more lives, we understand how something as simple as the permanence of a building can provide a sense of security and a feeling of sanctuary in an increasingly changing healthcare landscape. Like our new clinic at 1934 Caroline Street, HHH remains strong and steadfast in its mission, a beacon for the proud men, women and children we serve each day. It has been one of my life’s greatest honors to serve on the Board of this fine organization, and I am eternally grateful to all of our staff and volunteers for their tireless dedication, and to all of our supporters, donors and community partners for allowing us the privilege to serve our community.

Scott K. Davidson, Chair
Board of Directors
Homelessness is often a revolving door.
Steep barriers to accessing medical and mental health services for individuals who are homeless result in costly over-utilization of public emergency rooms for preventable care and high rates of incarceration for those with mental health needs – a system that is costly both monetarily and in terms of human suffering. Those most in need continue to face the most profound barriers. HHH’s unique programming strives to systemically end homelessness, reduce hospitalization and prevent incarceration by improving access to appropriate, effective care.

REDUCING HOSPITALIZATION
Houston recently underwent a large-scale systemic overhaul addressing chronic and veteran homelessness. This shift enabled those who are the most vulnerable to transition into Permanent Supportive Housing (PSH), which provides intensive wrap-around care that improves health and helps prevent return to the streets. Those who are chronically homeless have extremely high rates of public hospital utilization. Within the PSH established as part of the local transformation of the safety net system, HHH led the development of a clinical model and on-site intervention specifically aiming to reduce emergency room over-utilization.

This intervention has yielded a **51% reduction in ER visits** for those receiving care in PSH.

ENDING HOMELESSNESS
HHH is a proud partner in "The Way Home," Houston’s multi-organizational integrated, community-wide action plan that is implementing strategies to prevent and end homelessness in Houston.

PREVENTING INCARCERATION
On any given night, there are 2,100 homeless men and women (one out of every five detainees) in the Harris County Jail. The vast majority have mental healthcare needs.

The 2016 operating budget for the Harris County Jail was $437,458,000. Our community is spending roughly $87,491,600 a year to house homeless Houstonians in the Harris County Jail, often for infractions that are preventable with mental health, addiction and social interventions.

HHH's jail diversion initiatives have shown to dramatically reduce recidivism rates for those engaged in our programming - improving lives and providing cost-avoidance of millions in public dollars each year.
1% ASIAN
50% BLACK/AFRICAN AMERICAN
<1% NATIVE AMERICAN
1% PACIFIC ISLANDER
32% WHITE/CAUCASIAN
<1% MORE THAN ONE RACE
16% UNREPORTED/OPTED NOT TO REPORT

6% UNDER 25
38% 25-44 YEARS
53% 45-64 YEARS
3% OVER 65

35% FEMALE
65% MALE
<1% TRANSGENDER

89% Uninsured
2% Medicare
9% Medicaid/CHIP

Medicaid/Medicare reimbursement remains less than 1% of HHH’s operating income.
The mission of Healthcare for the Homeless - Houston (HHH) is to promote health, hope and dignity for Houston's homeless through accessible and comprehensive care.

HHH plays an integral role in our community’s efforts to address and combat homelessness. We are the only stand-alone federally qualified health center in Houston that exclusively provides homeless-specific care.

**7,215 HOMELESS HOUSTONIANS SERVED**

In 2016, 31,710 individuals accessed homeless services in Harris County.*

HHH provided care for 23% - nearly one in four - individuals who sought any type of homeless service in Harris County in 2016.

**44,504 CLIENT VISITS PROVIDED**

Since 2011, HHH has more than doubled the number of patient visits provided annually.

*Homeless Management Information System (HMIS)*
A New Home

The Caroline Street Clinic, HHH's new headquarters, opened its doors to those we serve on February 9, 2016. With the generosity and support of the community, in 2016, we reached $7.4 million raised towards this $8.6 million endeavor.

Permanent Supportive Housing (PSH) has not only shown to greatly reduce over-utilization of emergency rooms, it is also an effective evidence-based model that incorporates housing and supportive services for those with serious mental illness. HHH's leadership role in this initiative has resulted in an average reduction of 53 jail days per participant, yielding a savings of 19,744 total jail days. The cost of these jail days can be estimated to result in a $2,941,586 public cost-avoidance.

YEAR IN REVIEW

621 student and professional volunteers donated 19,550 hours for an in-kind value of $492,746.68 - more than in any year prior!

The Harris County Mental Health Jail Diversion Pilot Project

A New Home
The unique architectural design of the Caroline Street Clinic was selected as one of the three winners of the Contract Inspiration Awards, was included in their presentation at NeoCon and featured in Contract Magazine's July/August 2016 issue.

HHH has received several other awards and accolades in 2016. In March, The National Association of Community Health Centers presented HHH with the 2016 Hometown Scholar Advocate of the Year Award in Washington, D.C. for the national reach of our student-teaching programs. An important part of our mission is to help foster the next generation of healthcare professionals.

HHH’s Healthy & Whole Program was incredibly honored to be recognized with the John P. McGovern Champion of Health Award. This prestigious award showcases the work we are doing to improve the lives of women with a history of trauma and exploitation/prostitution.

Clinics and Services
Since our founding in 1999, HHH has grown to operate three integrated care medical clinics throughout central Houston: our new stand-alone Caroline Street Clinic, the Cathedral Clinic located within The Beacon and our clinic within the Star of Hope Men’s Development Center.

HHH also operates a full-service dental clinic, extensive multi-site specialized programming and innovative outreach initiatives.

Services offered include: Primary Care, Mental Health Services, Addiction Counseling, Case Management, Dental Care, Outreach, Podiatry, Women’s Health and Wellness, Jail Inreach, Student-teaching Programs, Vision Assistance, Peer-based Support, Wellness Programming and Transportation Assistance (Project Access).
To everyone who makes this mission possible...
THANK YOU 2016 DONORS

$1,000,000 +
HRSA/Bureau of Primary Healthcare
Harris Center for Mental Health & IDD/Harris County
Texas Health and Human Services Commission

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The Medallion Foundation, Inc.
Dana and Gene Sellers
St. Luke’s United Methodist Church
Steele Family Foundation
Vivian L. Smith Foundation
Robert and Edith Zinn

$10,000 - $24,999
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Episcopal Health Foundation
The Hamill Foundation
Harris County Sheriff’s Office

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And many thanks to our donors who chose to remain anonymous.

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Nico Whittaker
Michael Zikogiannis

84 cents of every dollar goes to direct care for homeless men, women and children.
2016 FINANCIAL STATEMENT

SUPPORT AND REVENUES

Programs 206,610
Medicaid 79,734
Medicaid Section 1115 Waiver Contract 1,044,000
Individuals 225,368
Corporations 33,873
Federal and State Grants and Contracts 3,066,042
Private Grants/Foundations 1,297,026
In-kind Contributions 512,367
Fundraising Events 52,710
Other 4,047
TOTAL 6,521,777

EXPENSES AND LOSSES

Direct Patient Care 472,157
Labor 4,124,463
Professional Fees 118,357
Board, Staff & Committee Spt. Recognition 32,830
Fundraising and Events 37,855
Insurance 42,196
Computer Software and Support 34,740
Equipment and Facilities 468,572
Other Costs 423,511
Special Projects 1,165,917
TOTAL 6,920,598

Support and Revenues Over(Under) Expense (398,821)
Net Assets Released - Restrictions Satisfied 167,499
Increase(Decrease) in Net Assets (231,322)
Net Assets Beginning of Year, Unrestricted 7,147,438
Net Assets End of Year, Unrestricted 6,916,116
Net Assets Restricted This Year 695,002
Net Assets, End of Year 7,611,118

*Unaudited **Temporarily restricted net assets include multi-year grants that are booked as a receivable at the time of commitment/pledge
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February 14, 2018

Ms. Marni Holloway  
Director of Multifamily Finance  
Texas Department of Housing and Community Affairs  
221 E. 11th Street  
Austin, TX 78701

Dear Ms. Holloway,

I am writing to state strong support for TDHCA Application #18137, New Hope Housing Dale Carnegie, to be located at the SE Corner of Regency Square Boulevard and Dale Carnegie Lane in Houston, Harris County, Texas 77036. The service area of Connect Community is located in the Sharpstown and Gulfton area where New Hope’s proposed site is located.

Connect Community is a 501(c)(3) founded by Legacy Community Health, KIPP Public Schools, YMCA and St. Luke’s United Methodist Church. With our founding and other best-in-class partners, Connect follows a holistic approach to community revitalization based on the Purpose Built Communities model. Purpose Built helps struggling communities across the country implement proven and effective revitalization strategies, including a cradle to college and career education pipeline, high-quality mixed income housing, and community wellness programs.

New Hope Housing Dale Carnegie is a proposed new construction supportive housing property that will serve 170 individuals. The property is being developed by Houston Area Community Development Corporation (HACDC), an affiliate of New Hope Housing, Inc. (NHHI). As the Founding Executive Director of Connect Community, I am familiar with the remarkable work of NHHI and its high quality Housing + Services model. We welcome this property into the Connect Community neighborhood.

In the wake of Hurricane Harvey, I can attest that New Hope Housing’s superior product has never been more important for Houstonians. Connect Community looks forward to partnering with New Hope Housing Dale Carnegie, making available the services of our existing partner agencies, as appropriate to meet resident needs. We also will refer clients to what will be, as are all New Hope properties, a beautiful and well-managed supportive housing development.

I urge you to accept this letter of support and to look favorably on New Hope’s application for Housing Tax Credits.

Sincerely,

Anne Whitlock  
Founding Executive Director
Dear Applicant:

We're pleased to tell you we determined you're exempt from federal income tax under Internal Revenue Code (IRC) Section 501(c)(3). Donors can deduct contributions they make to you under IRC Section 170. You're also qualified to receive tax deductible bequests, devises, transfers or gifts under Section 2055, 2106, or 2522. This letter could help resolve questions on your exempt status. Please keep it for your records.

Organizations exempt under IRC Section 501(c)(3) are further classified as either public charities or private foundations. We determined you're a public charity under the IRC Section listed at the top of this letter.

If we indicated at the top of this letter that you're required to file Form 990/990-EZ/990-N, our records show you're required to file an annual information return (Form 990 or Form 990-EZ) or electronic notice (Form 990-N, the e-Postcard). If you don't file a required return or notice for three consecutive years, your exempt status will be automatically revoked.

If we indicated at the top of this letter that an addendum applies, the enclosed addendum is an integral part of this letter.

For important information about your responsibilities as a tax-exempt organization, go to www.irs.gov/charities. Enter "4221-PC" in the search bar to view Publication 4221-PC, Compliance Guide for 501(c)(3) Public Charities, which describes your recordkeeping, reporting, and disclosure requirements.
Sincerely,

Jeffrey I. Cooper
Director, Exempt Organizations
Rulings and Agreements
Frequently Asked Questions/Talking Points

What is Connect Community?
Connect Community is a 501c3 that was established in 2016 with a sole focus on the needs of the Sharpstown/Gulfton community—one of the Houston’s most challenged communities. Connect Community is designed to serve as an independent “community quarterback”. As the community quarterback, Connect plays the role of engaging with community members to determine the greatest needs for residents, bringing in best in class nonprofit service providers to meet these needs, and collectively holding all organizations accountable for achieving more comprehensive and elevated goals. By partnering with local leaders, Connect is helping to create a vibrant community in Sharpstown/Gulfton where everyone has the opportunity to thrive.

What is the mission of Connect?
The mission of Connect Community is to ensure that every child and adult in Sharpstown/Gulfton will lead a healthy, prosperous life in a safe and vibrant neighborhood in which residents choose to live, learn, work, worship and play.

Who are the organizations that Connect partners with?
Connect Community was started in collaboration with five founding partners: KIPP Houston, Legacy Community Health Services, St. Luke’s United Methodist Church, YMCA, and Houston Center for Literacy. Connect has over additional partners and will continue to add partners in the future to best meet the needs of the community.

Who is the main population being served?
Connect’s Impact Zone, a core area of the community with a radius of approximately one mile is largely made up of first generation immigrants and refugees and has the following characteristics:

- Over 720 people are moving into the Impact Zone every year;
- 53% of those moving into the Impact Zone are below the poverty line, and their median income is just $15,660 (compared to $23,228 for the Impact Zone as a whole);
- 48% are uninsured;
- 46% do not have a high school diploma;
- 72% of adults and 20% of children are considered obese;
- 88% of residents speak a language other than English at home;
- Approximately 65% are from Central America and Mexico, and 30% are refugees, primarily from Iraq, Afghanistan, Somalia, Sudan, and the Congo.
What are the biggest challenges facing this community?
The community faces a wide variety of challenges. Residents struggle with limited English proficiency, lack of awareness about resources and how to navigate social systems, and pervasive stereotypes related to race, language, and socioeconomic status. Other challenges include elevated crime, low education attainment and/or skills that do not transfer, low performing schools, limited access to outdoor and indoor wellness facilities that meet the unique needs of the residents, and lack of after school activities.

Why is this effort important?
In the 1980s, the oil bust led to a severe economic downturn that caused many younger workers to move away to seek employment in other parts of the country—significantly impacting the Sharpstown/Gulfton community. The community has real needs; however residents are determined to thrive. Connect Community is an important effort because we believe that success is possible and that successes in the Sharpstown/Gulfton community can be replicated in other areas of Houston. This type of transformation, at the community level, is critical to ensuring that Houston is seen as a city where all residents can succeed. This effort is also vitally important given recent US political agendas regarding immigrant populations. Houston’s Mayor has made it clear that the city will remain a welcoming place for all and the Connect effort is a concrete step that nonprofit and philanthropic communities in Houston are taking to walk the walk.

How is Connect different from other similar organizations in Houston?
There are a number of organizations in Houston that have a similar model to Connect Community, however, not of these existing organizations are organized or located strategically to meet the unique needs of the Sharpstown/Gulfton Community. Specifically, none are located in the Sharpstown Gulfton impact zone, they are not set up to meet the increased demands of a predominantly immigrant population, they do not offer a housing component, and they are not organized to enable an independent “quarterback” to facilitate the collaborative and comprehensive effort of best in class nonprofit organizations. It is the combination of these factors that makes Connect Community the right partner for Sharpstown/Gulfton as the organization fills the gaps that other collaborative or multi-service organization are not able to fulfill.

How do you know the model will work?
Connect Community is designed after the Purpose Build Communities (PBC) model which was first proven effective in East Lake Atlanta. Purpose Build Communities started efforts in East Lake in 1995 and over the past 10 years has seen a remarkable transformation. East Lake is now a thriving and desired community in Atlanta. Connect Community has taken the core of what was successful in East Lake and applied it to the unique contexts of Sharpstown/Gulfton. Houston is one of over 16 cities in the country that is implementing the PBC model (with over 20 more in the pipeline to launch soon).
In addition to using the model are there other benefits to the PBC network?
Connect Community is in regular communication with staff from PBC. The staff is consulting Connect staff and board members to build the strategic plan and goals for the organization and often make site visits to provide on the ground advice. Connect Community is also in regular contact with staff and leaders from other Purpose Build Communities supported sites across the country for collaboration, best practices, and support.

What are the key areas of programmatic focus for Connect?
Connect is primarily focused on the areas of education, wellness, health, spirituality, and housing. The organization does not currently have a housing partner but is in conversations to secure a partner in the very near future.

Who is leading this effort?
Connect Community is being led by Founding Executive Director, Anne Whitlock, along with a 9-member Board of Directors (Ann Johnson, Katy Caldwell, Paul McEntire, Sehba Ali, Dr. Tom Pace, Barron Wallace, Laura Capper, Mark Montgomery, and Mushahid Khan)

What is the budget for Connect Community?
Connect is currently anticipating an annual budget for 2018 of approximately $700,000. This budget includes costs to support a small group of partners as they establish themselves in the community and anticipate that these costs will significantly decrease or become obsolete in the future.

Is this model in Sharpstown/Gulfton replicable in other communities in Houston?
Yes, Connect Community is operating with the assumption that Sharpstown/Gulfton can very likely be a model for other Houston communities. Connect plans to share lessons learned broadly so that the model can be replicated to improve the city as a whole for all residents.

What goals will Connect achieve with the community through the new facility?
With the resources that the Connect Community Hub will bring to the neighborhood, significant outcomes are possible. In partnership with Purpose Built Communities, the Connect board is developing a Performance Scorecard with baseline, targets, and actuals that will be measured annually. A few of the initial metrics that are being strongly considered include:
  • Graduation rates and student achievement
  • Obesity rates
  • Park land per 1000 residents
  • Median income and unemployment
  • Crime
  • Housing quality
  • Health insurance coverage
A HOPEFUL DIRECTION IN HOUSTON

Over the past few decades, cheap rents have attracted many first-generation immigrants to settle in Sharpstown/Gulfton. As a result, this has become one of the most densely populated and culturally diverse communities in Houston. It is also one of the most economically challenged.

Connect Community is one of more than a dozen Purpose Built Communities Network Members nationwide that are implementing a holistic model of neighborhood transformation. Connect Community is focusing its efforts and measuring its impact within a clearly delineated geographic area called the Impact Zone, which encompasses an approximately one-mile radius around the Connect campus at 6700 Bellaire Boulevard.

OUR MISSION

Connect Community is a collaboration of best-in-class organizations that builds healthy neighborhoods in Sharpstown/Gulfton by partnering with residents to advance their educational, economic, spiritual, and physical well-being and improve outcomes for every person, every step of the way.

OUR VALUES

- Children and families will succeed.
- Families are the change leaders.
- Relationships are the crux of our work.
- Diversity is an asset that is woven into our processes and systems of support/service.
- Partnership creates spiritual, behavioral and economic prosperity.
- Partners have made a conscious commitment to improve outcomes.
- Change happens at “the speed of trust.”
- Data drives leadership efficacy.
THE CONNECT COMMUNITY CAMPUS

A Connect Community campus is being created to serve as the hub for partner activities and the center around which a family-friendly, safe neighborhood will grow. When fully implemented, this 15-acre neighborhood hub will include the following:

- A 155,000 sq. ft. school building serving 1,800 students by 2022 from Pre-K3 thru 12th grade.
- A 33,000 sq. ft. church building and outreach facility with a new soccer field.
- A community garden and landscaping across the campus.
- A multi-story, multi-purpose community center to house a welcome center, community health clinic, recreational facilities, and more.

OUR ACCOMPLISHMENTS

- Key organizational accomplishments during 2015-2016 include developing the vision, mission, and strategic plan for Connect Community.
- A new Founding Director for Connect Community was hired in January 2015.
- A plan for ongoing community engagement was developed and over the past year eight major community engagement initiatives have been carried out, using over 200 volunteers and engaging over 500 residents through a Community Walk, Parent Workshops, Newcomer Thanksgiving Dinner and a Valentine’s “Connecting through Love” Pop-up event.
- Two collaborative partnerships (early childhood education and expanded summer learning) were established.
- Schematic master site plan drawings for the new Community Center were completed in March 2015 and are currently being revised.

OUR PARTNERS

We can’t do it alone, which is why we operate as an expanding coalition of best-in-class service providers who contribute their unique vision and strategic capabilities to build stronger, happier, healthier communities.

FOR MORE INFORMATION

Anne Whitlock
Founding Director
annewhitlock2@kipphouston.org

Connect Community
6700 Bellaire Boulevard
Houston, TX 77074
CONNECT OVERVIEW

- Connect is exclusively focused on the needs of the Sharpstown/Gulfton community.
- We work to create opportunities for residents by connecting them with essential resources.
- Our solution is based on the Purpose Built Communities model (first proven successful in East Lake, Atlanta) which works with residents to create both a pathway out of poverty and build a healthy, sustainable neighborhood.
- We primarily focus on 3 key areas: Education, Health/Wellness, and Housing.
- Founding Partners include:
  - YMCA of Greater Houston
  - St. Luke’s United Methodist Church
  - KIPP Houston
  - Legacy Community Health Services
  - Houston Center for Literacy.
- Connect plays the role of “community quarterback” by ensuring all partners are working towards collective goals and that community members are engaged along the way.

PRIORITY PROJECT: THE CONNECT COMMUNITY HUB

- In 2016, Connect identified an opportunity to leverage collective impact in a unique and cost-effective way.
- The Connect Community Hub will be a public community center that will bring best-in-class nonprofits together to provide services that meet the needs of residents.
- The total budget for the project is $6,500,000 and $4,900,000 has already been raised.
- The facility will offer more than 4,725 available hours of public facility space per year for programming.
- Residents have already been extensively involved in initial planning and programming.
- We plan to break ground June 2017 and we hope to hold a grand opening August 2018.
February 14, 2018

Ms. Marni Holloway, Director of Multifamily Finance
Texas Department of Housing and Community Affairs
221 E. 11th Street
Austin, TX  78701

Dear Ms. Holloway,

I am writing in support of TDHCA Application #18137, New Hope Housing Dale Carnegie, to be located at the SE Corner of Regency Square Boulevard and Dale Carnegie Lane in Houston, Harris County, Texas 77036. This site is in SEARCH’s service area which covers the entire Houston metropolitan area.

SEARCH Homeless Services, a 501(c) (3) organization, is a leading agency in Houston that helps over 1,500 men, women and children each year achieve long-term stabilization measured by housing stability, increased income and improved health.

New Hope Housing Dale Carnegie is a 170-unit proposed new construction supportive housing property being developed by Houston Area Community Development Corporation (HACDC), an affiliate of New Hope Housing, Inc. (NHHI). This property will offer just the high quality housing + supportive services that are badly needed in Houston—and now more than ever in the wake of the devastating storm.

SEARCH partners with New Hope and its affiliate HACDC, offering robust case management at four of New Hope’s current supportive housing properties, and very shortly we will add a fifth property. We also offer robust case management at Emancipation, temporary housing New Hope is managing for the City of Houston through its affiliate Harvey Response Management, Inc. This property serves individuals who fled to the George R. Brown Convention Center during Harvey and who have no readily available alternatives.

Please accept this letter of support. SEARCH looks forward to a continuing partnership with New Hope Housing, and we urge you to look favorably on their application for Housing Tax Credits.

Sincerely,

Thao Costis
President & CEO
Dear Taxpayer:


We have changed the name on your account as requested. The number shown above is valid for use on all tax documents.

If you need forms, schedules, or publications, you may get them by visiting the IRS website at www.irs.gov or by calling toll-free at 1-800-TAX-FORM (1-800-829-3676).

If you have any questions, please call us toll free at 1-877-829-5500.

If you prefer, you may write to us at the address shown at the top of the first page of this letter.

Whenever you write, please include this letter and, in the spaces below, give us your telephone number with the hours we can reach you. Also, you may want to keep a copy of this letter for your records.

Telephone Number ( ) ___________________________ Hours________________

Sincerely yours,

Sheila Bronson
Dept. Manager, Code & Edit/Entity 3

Enclosure(s):
Copy of this letter
Dear Friends,

It’s been an amazing year of progress for our community, our clients, and SEARCH as we continue our work for a Houston without homelessness. Today, SEARCH’s teams are disbursed throughout the city working from 16 different sites to serve our clients wherever they are and to help them move faster from the streets into housing, jobs, and independence.

While our successes show in the numbers of people who are no longer homeless and in the numbers of this Impact Report, at the end of the day, it’s about the lives of the people we’ve touched—people like Sheryl.

Petite, almost waif-like, Sheryl led the life of a typical suburban wife and mother. However, the grief of losing two children caused a major breakdown and prompted her to leave the life that she could no longer bear. With years of rough living on the streets, Sheryl developed multiple illnesses and recently passed away at the age of 59. Before her death, SEARCH helped Sheryl move into a cozy apartment and reconnect with her grown daughters and grandchildren. She befriended neighbors who cherished her winning smile and sweet, caring ways. While Sheryl’s life ended too soon, she died in the comfort and safety of her own home, surrounded by people who loved, cared for, and memorialized her. She was relevant. She was not forgotten, which is one of our clients’ worst fears.

Heart-wrenching and heartwarming stories like Sheryl’s are reminders of why your involvement is critical to our mission and success. Please continue to be a part of providing hope, creating opportunity, and transforming lives.

With deep appreciation,

THAO COSTIS
President and CEO

CAPITAL CAMPAIGN

Can we achieve our vision of a Houston without Homelessness?

OF COURSE WE CAN

Thanks to the generous support of our community, SEARCH opened two new facilities this year. Under the leadership of campaign Chair, Doug Foshee, and committee members, Bill Boyar, Larry Heard, and John Knox, Jr., SEARCH completed a $16.5 million capital campaign.

In June 2016, SEARCH moved into its striking new headquarters that will allow us to better serve our clients and help more people move from the streets into jobs and safe, stable homes of their own.

In September 2016, SEARCH opened its second House of Tiny Treasures preschool in Houston’s historic Third Ward, tripling our capacity to 104 students and allowing us to help more children and families break the cycle of poverty and homelessness.

We would like to express our deepest gratitude to everyone who helped to make this possible!

THAO COSTIS
President and CEO

WENDI HAY
former SEARCH client

The Foshee Family House of Tiny Treasures
2323 Francis Street

SEARCH Employment Services & Care Hub
2015 Congress Avenue
Since 1989, SEARCH Homeless Services has pursued a mission of providing hope, creating opportunity, and transforming lives for the thousands of individuals experiencing homelessness in our community. We bring this mission to life every day by connecting men, women, and children not only with housing and employment, but with the targeted resources and wrap-around support they need to remain stably housed and regain self-sufficiency.

**Our work is focused on three primary groups:**

- **The Chronically Homeless**
- **The Employable**
- **The Young Children**

Our effectiveness lies in the way we treat our clients with dignity and respect and how we guide them in the direction of positive change.

**SEARCH’S Model**

Our **effectiveness lies in the way we treat our clients with dignity and respect and how we guide them in the direction of positive change.**

**Community Progress**

Through the efforts of SEARCH and our community partners, we have helped thousands of homeless individuals find their **way home.**

- **57%** reduction in overall homelessness since 2011

<table>
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<th>Number of people experiencing homelessness</th>
<th>Veterans housed since 2012</th>
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</thead>
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<tr>
<td>2016</td>
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Together, we’ve effectively ended veteran homelessness in Houston.

**The Cost of Homelessness**

- **Homeless** $90,000
- **Housed** $-55,000
- **Savings** $35,000

Savings per person by moving someone from the street into housing

- **x 2,500**

**Total** $87 million **Total annual savings**

**Cost of someone living on the street** (including public services, emergency rooms, jail)

**Cost to house a homeless person** (including rent, healthcare, support services)

Approximate number of disabled, homeless individuals

**The Way Home** is Houston’s collaborative action plan to end homelessness in our community. SEARCH is proud to be a major part of The Way Home.

**Number of people experiencing homelessness**

<table>
<thead>
<tr>
<th>Year</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>8,500</td>
</tr>
<tr>
<td>2016</td>
<td>3,600</td>
</tr>
</tbody>
</table>

**Total annual savings**

**Savings**

- **Homeless** $90,000
- **Housed** $-55,000
- **Savings** $35,000

**Total** $87 million

**Cost of someone living on the street** (including public services, emergency rooms, jail)

**Cost to house a homeless person** (including rent, healthcare, support services)

**Savings per person by moving someone from the street into housing**

**Approximate number of disabled, homeless individuals**

**Total annual savings**

**Total** $87 million
At SEARCH, we dream of a day when no one must sleep on the street, and we are working to make this dream a reality.

SEARCH’s Outreach Teams travel throughout Houston providing on-the-spot assistance to people living on the streets. Armed with food, water, clothing, and blankets, they offer an important lifeline to the city’s most vulnerable individuals. Once connected to SEARCH, other team members match them to the housing and support they need to stabilize their lives and exit homelessness.

A single mother at only 19 years old, Keina’s troubles started when her family lost their home in Hurricane Katrina. Eventually placed into the custody of Child Protective Services, Keina found herself homeless again after aging out of the foster care system.

Keina was living at a shelter when she found SEARCH. Struggling with a learning disability, Keina relied heavily on SEARCH to help navigate the complex and overwhelming process of obtaining housing.

Now in a home of her own, Keina is working to graduate high school and provide a better life for herself and her 4-month-old son.
Saundra had it all – a well-paying job, a home of her own, good friends, and a family with whom she was close. Four years ago, she lost it all to alcoholism. Living in a homeless shelter, she felt depressed, hopeless, and alone . . . until she found SEARCH.

With hard work and determination, Saundra got a job as a certified flagger for a local traffic control company. SEARCH helped her realize her dream of getting back to work and into her own home again. Today, Saundra supervises 51 flaggers, continues to be sober after four years, and remains a woman of deep faith.

Saundra’s greatest joy is the reconnection with her daughter and granddaughter after many years apart and knowing how proud they are of her.

Increasing income is one of SEARCH’s key goals in order to help homeless individuals and families regain their independence.

SEARCH is preparing people to get back to work and back on their feet. We offer job readiness assessments, skills training, employment placement assistance, and individualized case management with a skilled employment counselor.

35% of homeless people report job loss as the cause of their homelessness.

$549

SEARCH clients increased their income.
Imagine trying to turn your life around without a place to call home.

We know that our clients need a home as a starting point to stabilize their lives. That is why SEARCH follows a Housing First approach, especially with the men and women who are disabled and have been on the street for years. We first place our clients in a home of their own and then provide ongoing support and guidance to help them increase their income, improve their health, and develop a new way to live and thrive.

When Byron was released from jail for the tenth time in as many years, he was homeless as he had been other times before. Byron was ready for change and applied for housing through SEARCH’s jail diversion program. He stayed on the streets near SEARCH so he could be close to his case manager and check in several times every week. Four months later, Byron moved into his new home.

When Byron’s case manager asked how he had stayed clean and sober, out of trouble, and out of jail while waiting for housing, Byron said,

“Ms. Divya, you are working so hard for me. I was a nobody. Nobody ever called me by my name. No one cared for me the way you did. So how can I possibly let you down?”

Housing First—Because the only way to cure homelessness is with a HOME.
At SEARCH, we know that breaking the cycle of poverty and homelessness begins with the children.

SEARCH’s House of Tiny Treasures is a nationally accredited preschool dedicated to serving children of families who are homeless or at great risk of becoming so.

The House of Tiny Treasures provides a full-day, year-round early childhood education program to prepare our young students to succeed in school and in life. While the children are being cared for at the House of Tiny Treasures, their parents can go back to school or work and turn their lives around.

Fleeing an abusive relationship, Wendi found herself homeless with four young girls. Battling severe mental illness and trying to cope, Wendi felt lost, alone, and hopeless. Then she found SEARCH and the House of Tiny Treasures. With her three youngest girls enrolled at the House of Tiny Treasures, Wendi was able to take the steps she needed to turn their lives around.

Wendi recently celebrated her first year of living completely independently. She attends the University of Houston on a full academic scholarship for a degree in business management while also working as a supervisor at a large successful company. Accomplished artists, her precious girls are excelling in the Gifted and Talented program at their school, making straight A’s, and are very happy.

While I had experienced a lifetime of decline, it was the help and care of organizations such as SEARCH that started me back on the right path. I needed someone to care; I needed someone to say, it’s okay to fall down because we are here to help you back up. I would have never made it without SEARCH and the House of Tiny Treasures.
DONORS + VOLUNTEERS

YOU, our dedicated donors and volunteers, make this vitally important work possible!

We are deeply grateful for your loyal support and involvement and the tremendous impact you have made on the lives of those we serve. By being part of the SEARCH family, you provide hope, create opportunity, and transform lives every day.

THANK YOU!

Thank you for being our partner in this life-changing work.
If you are interested in donating or volunteering, please contact the Development Office at 713.276.3065 or visit us online at

SEARCHhomeless.org

FINANCIALS

$9,238,628
Total Expenses

Program Expenses

HOUSING
$3,291,675

ENGAGEMENT
$1,267,760

STABILIZATION
$622,627

EDUCATION
$801,173

EMPLOYMENT
$1,644,652

$7,627,887
Total Program Expenses

Program Support

$1,610,741
Total Program Support

83 cents of every dollar spent directly helps those who are homeless.
Since 1989, SEARCH Homeless Services has pursued a mission of providing hope, creating opportunity, and transforming lives. We bring this mission to life every day by ensuring that our clients obtain permanent housing, increase their income, improve their health, and ultimately regain their independence. We maintain a vision of a Houston without Homelessness.

2015 Congress Avenue, Houston, Texas 77002
713.739.7752
SEARCHehomeless.org
**Required Third Party Reports**

Be advised that all third party reports will be posted on the Department’s website along with the Application.

Complete the information below as applicable [§10.205].

### 1. Environmental Site Assessment (ESA) (All Multifamily Applications)

- **Prepared by:** Phase Engineering  |  **Date of Report:** 2/13/2018

- Report recommends further studies or establishes environmental hazards that currently exist on the Property or off-site with the potential to affect the Property.

- If the above box is checked, a statement is provided behind this tab signed by the Development Owner, that certifies the Development Owner will comply with any and all recommendations made by the ESA preparer.

- Development is funded by USDA and is not required to supply an ESA.

### 2. Environmental Clearance (Section 811 PRA and Direct Loan applications only)

All Applications selecting Points for Section 811 PRA Program participation under the Competitive Housing Tax Credit program or Direct Loans must review the Environmental Requirements and Environmental Assurance section of the Section 811 PRA Program Guidelines (§PRA.215) and provide adequate material to meet the tenets. A Phase I Environmental Site Assessment (ESA) will not satisfy the environmental clearance required for use of the Section 811 PRA Program.

All Applications for Direct Loans by the Department must complete an environmental clearance process in accordance with 24 CFR Parts 50 and 58 prior to engaging in choice limiting activities such as closing on land, loans, beginning demolition or construction activities, or entering into construction contracts. A Phase I Environmental Site Assessment (ESA) will not satisfy the environmental clearance required for use of Multifamily Direct Loan funds.

- Application selected points for the Section 811 PRA Program and includes documentation for the project participating in the Section 811 PRA Program that the project meets the tenets of HUD environmental policy and the requirements of applicable statutes and authorities.

- Applicant has submitted an environmental packet to TDHCA and determination is pending.

- Applicant has reviewed the Environmental Requirements and Environmental Assurance section of the Section 811 PRA Program Guidelines (§PRA.215) and understands that a determination must be received prior to signing the Rental Assistance Contract.

- MFDL Development has already received Environmental Clearance from HUD under 24 CFR Parts 50 or 58.

- Documentation of HUD Environmental Clearance is included behind this tab.

- Applicant has submitted an environmental packet to TDHCA and clearance is pending.

- Applicant has reviewed the environmental clearance materials available on the Department’s website and understands that clearance must be received prior to closing on the loan.

- [http://www.tdhca.state.tx.us/program-services/environmental/index.htm](http://www.tdhca.state.tx.us/program-services/environmental/index.htm)

- A Third Party will aid in the completion of the environmental clearance process. If checked, complete the following:
  
  **Name of Firm:**

  **Contact Person:**

  **Contact Telephone:**  |  **Email:**

### 3. Primary Market Area Map

- Primary Market Area (PMA) map with definition of PMA is included behind this tab.

- **Prepared by:** Robert Coe  |  **Date of Report:** 2/26/2018

### 4. Property Condition Assessment (PCA)

- **Prepared by:**  |  **Date of Report:**

### 5. Appraisal

- **Prepared by:**  |  **Date of Report:**

### 6. Site Design and Development Feasibility Report

- **Prepared by:** Brewer Escalante  |  **Date of Report:** 2/26/2018
### Geographies Selected:

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Multifamily Finance Division staff will place scanned copies of deficiency documents behind this tab in the application .pdf
In the course of the Department’s Housing Tax Credit Eligibility/Selection/Threshold and/or Direct Loan review of the above referenced application, a possible Administrative Deficiency as defined in §10.3(a)(2) and described in §10.201(7)(A) and/or §10.201(7)(B) of the 2018 Uniform Multifamily Rules was identified. By this notice, the Department is requesting documentation to correct the following deficiency or deficiencies. Any issue initially identified as an Administrative Deficiency may ultimately be determined to be beyond the scope of an Administrative Deficiency, and the distinction between material and non-material missing information is reserved for the Director of Multifamily Finance, Executive Director, and Board.

1. Please revise the parking entries in the Specifications and Building/Unit Type Configuration exhibit to agree with the site plan and Accessible Parking Calculation exhibit.
2. Rent Schedule has 9-308 square foot units and 2-360 square foot units shown with a “Program Rent Limit” of $751, the TC 60% rent. However, the program rent of these units as they are presented in the Rent Schedule is $701, the High HOME rent. Because the “Rent Collected” is consistent with a lower rent than the TC 60% rent, revising the Rent Schedule to reflect the High HOME rents does not appear to affect the Pro Forma, Annual Operating Expenses Statement or Sources and Uses, but the foregoing exhibits and the funding letters must maintain consistency with your revision of the Rent Schedule.
   Please eliminate any errors in the Rent Schedule in stating the program rents.
3. Tamara Foster was omitted from the NHH, Inc. List of the Nonprofit Organization’s Board Members, Directors and Officers.
4. Catherine James was omitted from the Credit Limit Part I form.

The above list may not include all Administrative Deficiencies such as those that may be identified upon a supervisory review of the application. Notice of additional Administrative Deficiencies may appear in a separate notification.

All deficiencies must be corrected or otherwise resolved by 5 pm Austin local time on the fifth business day following the date of this deficiency notice. Deficiencies resolved after 5 pm Austin local time on the fifth business day will have 5 points deducted from the final score. For each additional day beyond the fifth day that any deficiency remains unresolved, the application will be treated in accordance with §10.201(7)(B) of the 2018 Uniform Multifamily Rules. Applications with unresolved deficiencies after 5pm Austin local time on the seventh business day may be terminated.

All deficiencies related to the Direct Loan portion of the Application must be resolved to the satisfaction of the Department by 5pm Austin local time on the fifth business day following the date of this deficiency notice. Applications with unresolved deficiencies after 5pm Austin local time on the seventh business day will be suspended from further processing, and the Applicant will be notified to that effect, until the deficiencies are resolved. If, during the period of time when the Application is suspended from review, Direct Loan funds become oversubscribed, the Applicant will be informed that unless the outstanding item(s) are
resolved within one business day the Application will be terminated. For purposes of priority under the Direct Loan set-asides, if the outstanding item(s) are resolved within one business day, the date by which the item is submitted shall be the new received date pursuant to §13.5(c) of the 2018 Multifamily Direct Loan Rule. Applicants should be prepared for additional time needed for completion of staff reviews.

Unless the person that issued this deficiency notice, named below, specifies otherwise, submit all documentation at the same time and in only one file using the Department’s Serv-U HTTPs System. Once the documents are submitted to the Serv-U HTTPs system, please email the staff member issuing this notice. If you have questions regarding the Serv-U HTTPs submission process, contact Liz Cline at liz.cline@tdhca.state.tx.us or by phone at (512)475-3227. You may also contact Jason Burr at jason.burr@tdhca.state.tx.us or by phone at (512)475-3986.

All applicants should review §§11.1(b) and 10.2(b) of the 2018 QAP and Uniform Multifamily Rules as they apply to due diligence, applicant responsibility, and the competitive nature of the program for which they are applying.

**All deficiencies must be corrected or clarified by 5 pm Austin local time on Thursday, May 17, 2018. Please respond to this email as confirmation of receipt.**

About TDHCA
The Texas Department of Housing and Community Affairs administers a number of state and federal programs through for-profit, nonprofit, and local government partnerships to strengthen communities through affordable housing development, home ownership opportunities, weatherization, and community-based services for Texans in need. For more information, including current funding opportunities and information on local providers, please visit www.tdhca.state.tx.us.

Thanks,

Ben Sheppard
Specialist, Multifamily Finance
Texas Department of Housing and Community Affairs
Ph. 512.475.2122

Any person receiving guidance from TDHCA staff should be mindful that, as set forth in 10 TAC Section 11.1(b) there are important limitations and caveats (Also see 10 TAC §10.2(b)).
May 14, 2018

Mr. Ben Sheppard, Multifamily Finance Specialist
Multifamily Finance Division
Texas Department of Housing and Community Affairs
ben.sheppard@tdhca.state.tx.us

Re: 18137 – NHH Dale Carnegie
Applicant Response to Administrative Deficiency Issued May 10, 2018

Dear Mr. Sheppard,

Please accept this letter and the attached documentation on behalf of Dale Carnegie SRO, Ltd. as a formal response to your Administrative Deficiency Notice dated May 10, 2018. All of the following deficiencies were administrative in nature and the corrections have no material impact on the project or application. All errors have been corrected in the attached documentation.

1. Please revise the parking entries in the Specifications and Building/Unit Type Configuration exhibit to agree with the site plan and Accessible Parking Calculation exhibit.
   - **Tab 23 has been revised to reflect 57 spaces, consistent with the rest of the application.**

2. Rent Schedule has 9-308 square foot units and 2-360 square foot units shown with a “Program Rent Limit” of $751, the TC 60% rent. However, the program rent of these units as they are presented in the Rent Schedule is $701, the High HOME rent.
   - **Tab 24 has been revised to reflect the most restrictive rent limits for all units. This correction does not impact the collected rent, project income, or proforma.**

3. Tamara Foster was omitted from the NHH, Inc. List of the Nonprofit Organization’s Board Members, Directors and Officers.
   - **Tab 40 has been corrected to list Tamara Foster as a Vice President of the organization.**

4. Catherine James was omitted from the Credit Limit Part I form.
   - **Tab 45 has been revised to list Catherine James on Part 1.**

We welcome the opportunity to discuss any further questions you may have.

Sincerely,

Joy Horak-Brown
President & CEO
joy@newhopehousing.com

Emily Abeln
VP, Real Estate Development & Corporate Secretary
emily@newhopehousing.com
## Specifications and Building/Unit Type Configuration

Unit types should be entered from smallest to largest based on "# of Bedrooms" and "Sq. Ft. Per Unit." "Unit Label" should correspond to the unit label or name used on the unit floor plan. "Building Label" should conform to the building label or name on the building floor plan. The total number of units per unit type and totals for "Total # of Units" and "Total Sq Ft. for Unit Type" should match the rent schedule and site plan. If additional building types are needed, they are available by un-hiding columns Q through AA, and rows 51 through 79.

### Development will have:
- X Fire Sprinklers
- X Elevators
- 1 # of Elevators

### Number of Parking Spaces (consistent with Architectural Drawings):
- Free Paid
- Shed or Flat Roof Carport Spaces
- Detached Garage Spaces
- Attached Garage Spaces
- Uncovered Spaces
- Structured Parking Garage Spaces

### Total # of Units

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<th>Sq. Ft. Per Unit</th>
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<th>Total Sq Ft for Unit Type</th>
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### Totals

|               |                |                  |                            | 170             | 49,292                   |

### Net Renterable Square Footage from Rent Schedule

9130

8500

8500

9130

57,792

### Supportive Housing Applicants Only

- Enter the total development common area from the architect's plans: 9130
- Ensure that this number matches your architectural drawings.
- The additional square footage allowed for Supportive Housing per 11.9(e)(2) is: 8,500
- The lesser of these two numbers added to NRA: 57,792

If a revised form is submitted, date of submission: 5/14/2018
## SPECIFICATIONS AND BUILDING/UNIT TYPE CONFIGURATION

Unit types should be entered from smallest to largest based on "# of Bedrooms" and "Sq. Ft. Per Unit." "Unit Label" should correspond to the unit label or name used on the unit floor plan. "Building Label" should conform to the building label or name on the building floor plan. The total number of units per unit type and totals for "Total # of Units" and "Total Sq Ft. for Unit Type" should match the rent schedule and site plan. If additional building types are needed, they are available by un-hiding columns Q through AA, and rows 51 through 79.

### Specifications and Amenities (check all that apply)

- Single Family Construction
- SRO Transitional (per §42(i)(3)(B))
- Duplex
- Scattered Site
- Fourplex
- > 4 Units Per Building
- Townhome

Development will have:
- X Fire Sprinklers
- X Elevators
- # of Elevators: 1
- Weight Capacity: 1500 lbs.

### Number of Parking Spaces (consistent with Architectural Drawings):

- Free Paid
- Shed or Flat Roof Carport Spaces: 57 0
- Detached Garage Spaces: 0 0
- Attached Garage Spaces: 0 0
- Uncovered Spaces: 48 0
- Structured Parking Garage Spaces: 0 0

### Floor Composition/Wall Height:

- 95% Carpet/Vinyl/Resilient Flooring
- 9' Ceiling Height
- 0% Ceramic Tile
- n/a Upper Floor(s) Ceiling Height (Townhome Only)
- 5% Other
- Describe: Polished concrete

<table>
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<tr>
<th>Unit Type</th>
<th># of Bedrooms</th>
<th># of Baths</th>
<th>Sq. Ft. Per Unit</th>
<th>Number of Units Per Building</th>
<th>Total # of Units</th>
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### Net Rentable Square Footage from Rent Schedule

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</tr>
</tbody>
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### Supportive Housing Applicants Only

Enter the total development common area from the architect's plans:

- Ensure that this number matches your architectural drawings.

- The additional square footage allowed for Supportive Housing per 11.9(e)(2) is:
- The lesser of these two numbers added to NRA:

Use this number to figure points under 11.9(e)(2)

- If a revised form is submitted, date of submission: 5/14/2018

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<tr>
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**Net Rentable Square Footage from Rent Schedule:** 49,292

### Enter the total development common area from the architect's plans:

- Ensure that this number matches your architectural drawings.

### The additional square footage allowed for Supportive Housing per 11.9(e)(2) is:

### The lesser of these two numbers added to NRA:

- Use this number to figure points under 11.9(e)(2)

**If a revised form is submitted, date of submission:** 5/14/2018
| HTC Units | MF Direct Loan Units (HOME Rent/Inc) | National HTF Units | TDHCA MRB Units | Other/Subsidy | # of Units | # of Bedrooms | # of Baths | Unit Size (Net Rentable Sq. Ft.) | Total Net Rentable Sq. Ft. | Program Rent Limit | Tenant Paid Utility Allow. | Rent Collected/Unit | Total Monthly Rent |
|-----------|-------------------------------------|--------------------|-----------------|--------------|------------|--------------|-----------|------------------------|------------------------|----------------------|----------------------|-------------------|------------------|------------------|
| TC 30%    | HOME Low                            | 26                 | 0               | 1.0         | 280       | 375          | 0         | 4,960                  | 17,940                 | 7,350                | 0                   | 550               | 1,375            | 4,125            |
| TC 50%    | HOME High                           | 63                 | 0               | 1.0         | 280       | 7,640        | 0         | 17,940                 | 34,650                 | 22,550               | 0                   | 550               | 20,050           | 34,650           |
| TC 60%    | HOME High                           | 6                  | 0               | 1.0         | 308       | 1,848        | 0         | 3,127                  | 7,248                  | 0                   | 0                   | 0                 | 0                | 0                |
| TC 30%    | HOME High                           | 14                 | 0               | 1.0         | 308       | 4,312        | 0         | 9,609                  | 22,450                 | 0                   | 0                   | 0                 | 0                | 0                |
| TC 60%    | HOME High                           | 9                  | 0               | 1.0         | 308       | 2,772        | 0         | 6,900                  | 17,700                 | 0                   | 0                   | 0                 | 0                | 0                |
| TC 30%    | HOME High                           | 1                  | 0               | 1.0         | 360       | 360          | 0         | 1,080                  | 3,600                  | 0                   | 0                   | 0                 | 0                | 0                |
| TC 60%    | HOME High                           | 2                  | 0               | 1.0         | 360       | 720          | 0         | 2,160                  | 6,480                  | 0                   | 0                   | 0                 | 0                | 0                |
| TC 30%    | HOME High                           | 1                  | 0               | 1.0         | 360       | 360          | 0         | 1,080                  | 3,600                  | 0                   | 0                   | 0                 | 0                | 0                |
| TC 50%    | HOME High                           | 5                  | 0               | 1.0         | 360       | 1,800        | 0         | 5,400                  | 9,600                  | 0                   | 0                   | 0                 | 0                | 0                |
| TC 60%    | HOME High                           | 2                  | 0               | 1.0         | 360       | 720          | 0         | 2,160                  | 6,480                  | 0                   | 0                   | 0                 | 0                | 0                |

Private Activity Bond Priority (For Tax-Exempt Bond Developments ONLY):

Rent Designations (select from Drop down menu)

| Rent Schedule |

Non Rental Income $10.00 per unit/month for:

Non Rental Income $0.00 per unit/month for:

Non Rental Income $0.00 per unit/month for:

TOTAL NONRENTAL INCOME $10.00 per unit/month for:

POTENTIAL GROSS MONTHLY INCOME $89,580

- Provision for Vacancy & Collection Loss % of Potential Gross Income: 7.00% (6,271)
- Rental Concessions (enter as a negative number) Enter as a negative value

EFFECTIVE GROSS MONTHLY INCOME $83,309

$12 = EFFECTIVE GROSS ANNUAL INCOME $999,713

If a revised form is submitted, date of submission: 5/14/2018
## Nonprofit Participation

### Qualification:
Must meet the definition of a Qualified Nonprofit Development pursuant to §10.3(a)(102) of the Uniform Multifamily Rules, §42(h)(5) of the code, and the requirements of §11.5(1) of the Qualified Allocation Plan.

### Documentation:
Eligibility will be confirmed based upon completion of the Nonprofit Participation and Additional Nonprofit Documentation requirements in this section.

- By selecting this box the Applicant affirms the election to be included in the Nonprofit Set-Aside and certifies that they expect to receive a benefit in the allocation of tax credits as a result of being affiliated with a nonprofit.

- By selecting this box the Applicant affirms the election to be excluded from the Nonprofit Set-Aside and certifies that they do not expect to receive a benefit in the allocation of tax credits as a result of being affiliated with a nonprofit.

### Nonprofit Information (ALL Applications)

Only nonprofit organizations will complete this section. All nonprofit Applicants or Principals must complete this form without regard to their level of ownership or the set-aside under which the Application was made.

#### Organization Name:
New Hope Housing, Inc.

#### Is the Organization a 501(c)(3) or (4) as of the beginning of the Application Acceptance Period? Yes

#### If no to the question above, what is its current legal status?  

#### If "Other" please specify:  

#### Date of legal formation of Nonprofit Organization: 1993

1) **Is Applicant comprised of a joint venture between a Nonprofit and for-profit entity?** Yes

   - **If “Yes”, will this nonprofit organization Control the Applicant?** No

   - **What is the ownership percentage of this nonprofit organization?** 0.00%

2) **Describe the nonprofit’s participation:** Guarantor and Property Manager

3) **Describe the nonprofit’s participation in the operation of the Development throughout the Compliance and/or extended use period:** Guarantor and Property Manager

4) **Will the nonprofit receive part of the development fees paid in connection with the development?** No

   - **If "Yes," explain:**

---

*Note: The document contains red lines and markings, possibly indicating a correction or emphasis.*
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<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Address</th>
<th>City</th>
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<tr>
<td>Michael Fowler</td>
<td>Executive Chairman</td>
<td>712 Main Street, Suite 1700</td>
<td>Houston</td>
<td>TX</td>
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<tr>
<td>Sanford W. Criner, Jr.</td>
<td>Vice Chair</td>
<td>700 Louisiana St., Suite 2700</td>
<td>Houston</td>
<td>TX</td>
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<tr>
<td>Mark C. Wilson</td>
<td>Director</td>
<td>1601 Mose Street, Suite 4400</td>
<td>Houston</td>
<td>TX</td>
<td>77019</td>
</tr>
<tr>
<td>J. Renea Burns</td>
<td>Director</td>
<td>1111 Bagby, Suite 4500</td>
<td>Houston</td>
<td>TX</td>
<td>77002</td>
</tr>
<tr>
<td>Jeff Compton</td>
<td>Director</td>
<td>909 Fannin, Suite 3275</td>
<td>Houston</td>
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<tr>
<td>Philip Croker</td>
<td>Director</td>
<td>609 Main Street, Suite 4400</td>
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<td>TX</td>
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<tr>
<td>Carolyn W. Dorros</td>
<td>Director</td>
<td>20 Briar Hollow Lane</td>
<td>Houston</td>
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<td><a href="mailto:mmf@bunkerh.com">mmf@bunkerh.com</a></td>
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<td></td>
<td>Principal, Bunker Hill Group</td>
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<tr>
<td>Sanford W. Criner, Jr.</td>
<td></td>
<td></td>
<td>EVP, CB Richard Ellis</td>
</tr>
<tr>
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<tr>
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<tr>
<td>Mark C. Wilson</td>
<td></td>
<td></td>
<td>Owner, Investment Real Estate</td>
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<tr>
<td>(713) 527-9656</td>
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<tr>
<td><a href="mailto:mcwilson@earthlink.net">mcwilson@earthlink.net</a></td>
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<tr>
<td>J. Renea Burns</td>
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<tr>
<td>(713) 982-2000</td>
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<tr>
<td><a href="mailto:reburns@delloite.com">reburns@delloite.com</a></td>
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<tr>
<td>Philip Croker</td>
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<td>Real Estate Developer</td>
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<td>(713) 237-3674</td>
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<tr>
<td><a href="mailto:philip.croker@hines.com">philip.croker@hines.com</a></td>
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<tr>
<td>Carolyn W. Dorros</td>
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<td>EVP, Real Estate</td>
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<tr>
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<tr>
<td>Joy Horak-Brown</td>
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<tr>
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<td>3445 Locke Lane</td>
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<tr>
<td>Geoffrey K. Walker</td>
<td>Director</td>
<td>600 Travis, Suite 4200</td>
<td>Houston</td>
</tr>
<tr>
<td>Kenneth J. Valach</td>
<td>Director</td>
<td>820 Gessner, Ste. 760</td>
<td>Houston</td>
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<tr>
<td>Karen Briggs-Gwin</td>
<td>Treasurer &amp; CFO</td>
<td>1117 Texas Avenue</td>
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</tr>
<tr>
<td>Nicole Cassier-Mason</td>
<td>VP, Fund Development &amp; Communications</td>
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<td>(713) 222-0290</td>
<td></td>
<td><a href="mailto:joy@newhopehousing.com">joy@newhopehousing.com</a></td>
<td>President &amp; CCEO, HACDC&amp;NHHI</td>
</tr>
<tr>
<td>(713) 706-1580</td>
<td></td>
<td><a href="mailto:ken@tcr.com">ken@tcr.com</a></td>
<td>CEO, Trammell Crow Residential</td>
</tr>
<tr>
<td>(713) 220-4757</td>
<td></td>
<td><a href="mailto:gwalker@andrewskurth.com">gwalker@andrewskurth.com</a></td>
<td>Attorney</td>
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</tr>
<tr>
<td>Tamara Foster</td>
<td>VP, Onsite Operations</td>
<td></td>
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</tr>
<tr>
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<td>Houston TX 77002</td>
<td></td>
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<td><a href="mailto:tjf@newhopehousing.com">tjf@newhopehousing.com</a></td>
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<td>Emily Abeln</td>
<td>VP, Real Estate Development &amp; Secretary</td>
</tr>
<tr>
<td>1117 Texas Avenue</td>
<td>Houston TX 77002</td>
</tr>
<tr>
<td>(713) 222-0290</td>
<td><a href="mailto:emily@newhopehousing.com">emily@newhopehousing.com</a></td>
</tr>
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</table>

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Fax or Email: Occupation

VP & Secretary, HACDC&NHHI
Applicant Credit Limit Documentation and Certification (Competitive HTC Only)

Pursuant to §11.4(a) of the Qualified Allocation Plan, the Department shall not allocate more than $3 million of Competitive Housing Tax Credits from the current Application Round to any Applicant, Developer, Affiliate or Guarantor (unless the Guarantor is also the General Contractor, and is not a Principal of the Applicant, Developer, or Affiliate of the Development Owner). All Applicants must be identified herein to ensure that the Department is advised of all Applications, Applicants, Affiliates, Developers, General Partners or Guarantors involved to avoid any statutory violation of Texas Government Code, §2306.6711(b).

Instructions:
Complete Part I of this form. For each person or entity in Part I that answers "Yes" to Part I b., a Part II form must be submitted (i.e. if 4 persons/entities answer "Yes" to Part I b., then 4 separate Part II forms must be provided).

Part I. Applicant Credit Limit Documentation

| a. Applicant, Developers, Affiliates, and Guarantors - List below all entities or Persons meeting the definition of Applicant, Affiliate, Developer or Guarantor. |
| b. Person/entity has at least one other application in the current Application Round. |
| --- | --- |
| 1. Dale Carnegie SRO, Ltd. | No |
| 2. NHH at Dale Carnegie, LLC | No |
| 3. Houston Area Community Development Corporation (HACDC) | No |
| 4. New Hope Housing, Inc. (NHHI) | No |
| 5. Michael M. Fowler | No |
| 6. Sanford W. Criner, Jr | No |
| 7. J. Renea Burns | No |
| 8. Jeff Compton | No |
| 9. Philip Croker | No |
| 10. Carolyn W. Dorros | No |
| 11. James E. Furr | No |
| 12. Irma G. Galvan | No |
| 13. Catherine James | No |
| 14. Teshia N. Judkins | No |
| 15. Andrea Link | No |
| 16. Melissa Noriega | No |
| 17. Preston Roe | No |
| 18. Matthew Stahlbaum | No |
| 19. Garrett Thompson | No |
| 20. Melanie M. Trent | No |
| 21. Kenneth J. Valach | No |
| 22. Geoffrey K. Walker | No |
| 23. Mark C. Wilson | No |
| 24. Joy Horak-Brown | No |
| 25. Karen Briggs-Gwin | No |
| 26. Nicole Cassier-Mason | No |
| 27. Tamara Foster | No |
| 28. Emily Abeln | No |
| 29. | |
| 30. | |

Individually, or as the General Partner(s) of officer(s) of the Applicant entity, I (we) certify that we are submitting behind this tab one signed Credit Limit Certification form for each person and/or entity that answered "Yes" to Part b. above.

By: [Signature of Applicant]  
Date: [Signature of Applicant]

Rev. 5/14/2018  
Its: President & CEO of HACDC & NHHI
In the course of the Department’s Housing Tax Credit Eligibility/Selection/Threshold and/or Direct Loan review of the above referenced application, a possible Administrative Deficiency as defined in §10.3(a)(2) and described in §10.201(7)(A) and/or §10.201(7)(B) of the 2018 Uniform Multifamily Rules was identified. By this notice, the Department is requesting documentation to correct the following deficiency or deficiencies. Any issue initially identified as an Administrative Deficiency may ultimately be determined to be beyond the scope of an Administrative Deficiency, and the distinction between material and non-material missing information is reserved for the Director of Multifamily Finance, Executive Director, and Board.

Per 10 TAC 10 TAC §11.9(c)(8), an Applicant must include evidence to support closing of all financing and fully executing the construction contract by the last business day of October, and evidence that appropriate zoning will be in place at award.

(8) Readiness to proceed in disaster impacted counties. Application for a proposed development, located in a county declared by the Federal Emergency Management Agency to be eligible for individual assistance within the year proceeding the Full Application Delivery Date, that provides evidence they will close all financing and fully execute the construction contract on or before the last business day of October. Evidence may include, but is not limited to, loan or equity commitments with evidence of completed due diligence, permit-ready architectural plans, and construction contracts or permits. Applications must include evidence that appropriate zoning will be in place at award. The Board cannot and will not waive the deadline and will not consider waiver under its general rule regarding waivers. Failure to close all financing and provide evidence of an executed construction contract by the October deadline will result in penalty under 10 TAC §11.9(f), as determined solely by the Board. (emphasis added)

1. Documents submitted with the Application indicate that a construction contractor has been selected. Provide evidence that the construction contract will be executed on or before the end of October.

The above list may not include all Administrative Deficiencies such as those that may be identified upon a supervisory review of the application. Notice of additional Administrative Deficiencies may appear in a separate notification.

All deficiencies must be corrected or otherwise resolved by 5 pm Austin local time on the fifth business day following the date of this deficiency notice. Deficiencies resolved after 5
pm Austin local time on the fifth business day will have 5 points deducted from the final score. For each additional day beyond the fifth day that any deficiency remains unresolved, the application will be treated in accordance with §10.201(7)(B) of the 2018 Uniform Multifamily Rules. Applications with unresolved deficiencies after 5pm Austin local time on the seventh business day may be terminated.

All deficiencies related to the Direct Loan portion of the Application must be resolved to the satisfaction of the Department by 5pm Austin local time on the fifth business day following the date of this deficiency notice. Applications with unresolved deficiencies after 5pm Austin local time on the seventh business day will be suspended from further processing, and the Applicant will be notified to that effect, until the deficiencies are resolved. If, during the period of time when the Application is suspended from review, Direct Loan funds become oversubscribed, the Applicant will be informed that unless the outstanding item(s) are resolved within one business day the Application will be terminated. For purposes of priority under the Direct Loan set-asides, if the outstanding item(s) are resolved within one business day, the date by which the item is submitted shall be the new received date pursuant to §13.5(c) of the 2018 Multifamily Direct Loan Rule. Applicants should be prepared for additional time needed for completion of staff reviews.

Unless the person that issued this deficiency notice, named below, specifies otherwise, submit all documentation at the same time and in only one file using the Department’s Serv-U HTTPs System. Once the documents are submitted to the Serv-U HTTPs system, please email the staff member issuing this notice. If you have questions regarding the Serv-U HTTPs submission process, contact Liz Cline at liz.cline@tdhca.state.tx.us or by phone at (512)475-3227. You may also contact Jason Burr at jason.burr@tdhca.state.tx.us or by phone at (512)475-3986.

**All deficiencies must be corrected or clarified by 5 pm Austin local time on May 4, 2018. Please respond to this email as confirmation of receipt.**

All applicants should review §§11.1(b) and 10.2(b) of the 2018 QAP and Uniform Multifamily Rules as they apply to due diligence, applicant responsibility, and the competitive nature of the program for which they are applying.

About TDHCA
The Texas Department of Housing and Community Affairs administers a number of state and federal programs through for-profit, nonprofit, and local government partnerships to strengthen communities through affordable housing development, home ownership opportunities, weatherization, and community-based services for Texans in need. For more information, including current funding opportunities and information on local providers, please visit www.tdhca.state.tx.us.

Regards,

Sharon D. Gamble MSW, PMP
Competitive Housing Tax Credit Program Administrator
Texas Department of Housing and Community Affairs  
(512) 936-7834  

Any person receiving guidance from TDHCA staff should be mindful that, as set forth in 10 TAC Section 11.1(b) there are important limitations and caveats (Also see 10 TAC §10.2(a)).

About TDHCA  
The Texas Department of Housing and Community Affairs administers a number of state and federal programs through for-profit, nonprofit, and local government partnerships to strengthen communities through affordable housing development, home ownership opportunities, weatherization, and community-based services for Texans in need. For more information, including current funding opportunities and information on local providers, please visit www.tdhca.state.tx.us
May 2, 2018

Ms. Sharon Gamble, Competitive Housing Tax Credit Program Administrator  
Multifamily Finance Division  
Texas Department of Housing and Community Affairs  
sharon.gamble@tdhca.state.tx.us

Re: 18137 – NHH Dale Carnegie  
Applicant Response to Administrative Deficiency Issued April 27, 2018

Dear Ms. Gamble,

Please accept this letter and the attached documentation on behalf of Dale Carnegie SRO, Ltd. as a formal response to your Administrative Deficiency Notice dated April 27, 2018.

Readiness to Proceed in Disaster Impacted Counties

As described in the Readiness to Proceed Narrative within original application (pg 200 of the PDF), Dale Carnegie SRO, Ltd. will execute the construction contract on or before October 31, 2018. The following statements included in the application were made in satisfaction of the requirements of §11.9(c)(8) of the 2018 Qualified Allocation Plan:

- “Dale Carnegie SRO, Ltd., HACDC, and New Hope Housing, Inc. are committed to closing all financing and fully executing all applicable contracts, including the construction contract, on or before October 31, 2018.”

- “See attached draft of construction contract, including GC contract and prime subcontract. Both of these documents are expected to be executed on or before closing of financing, on or before October 31, 2018. New Hope Housing and HACDC have a significant partnership history with Camden Builders and have been working in close coordination on estimated pricing and timeline execution.”

- “Final pricing will be issued by Camden approximately 45 days after the permit issue set is delivered by the architect on June 1, 2018. The project owner will enter into a construction contract agreement when the Guaranteed Maximum Price amendment is delivered by Camden and pricing is ultimately finalized. The existing draft construction cost includes an educated and reasonable estimate of cost based on the preliminary construction drawings.”

Furthermore, at the time of original application submission a draft construction contract was provided between Dale Carnegie SRO, Ltd. and the selected prime subcontractor, Camden Builders, Inc. Having completed negotiations sufficient to produce a draft construction contract by March 1, 2018 demonstrates a good faith effort toward the execution of the construction contract prior to October 31, 2018.
Finally, please find attached a letter executed by representatives of the applicant and contractor indicating their mutual agreement to execute the final version of the construction contract on or before October 31, 2018.

We welcome the opportunity to discuss any further questions you may have.

Sincerely,

Joy Horak-Brown
President & CEO
joy@newhopehousing.com

Emily Abeln
VP, Real Estate Development & Corporate Secretary
emily@newhopehousing.com
In the course of the Department’s Housing Tax Credit Eligibility/Selection/Threshold and/or Direct Loan review of the above referenced application, a possible Administrative Deficiency as defined in §10.3(a)(2) and described in §10.201(7)(A) and/or §10.201(7)(B) of the 2018 Uniform Multifamily Rules was identified. By this notice, the Department is requesting documentation to correct the following deficiency or deficiencies. Any issue initially identified as an Administrative Deficiency may ultimately be determined to be beyond the scope of an Administrative Deficiency, and the distinction between material and non-material missing information is reserved for the Director of Multifamily Finance, Executive Director, and Board.

Per 10 TAC 10 TAC §11.9(c)(8), an Applicant must include evidence to support closing of all financing and fully executing the construction contract by the last business day of October, and evidence that appropriate zoning will be in place at award.

(8) Readiness to proceed in disaster impacted counties. Application for a proposed development, located in a county declared by the Federal Emergency Management Agency to be eligible for individual assistance within the year proceeding the Full Application Delivery Date, that provides evidence they will close all financing and fully execute the construction contract on or before the last business day of October. Evidence may include, but is not limited to, loan or equity commitments with evidence of completed due diligence, permit-ready architectural plans, and construction contracts or permits. Applications must include evidence that appropriate zoning will be in place at award. The Board cannot and will not waive the deadline and will not consider waiver under its general rule regarding waivers. Failure to close all financing and provide evidence of an executed construction contract by the October deadline will result in penalty under 10 TAC §11.9(f), as determined solely by the Board. (emphasis added)

1. Documents submitted with the Application indicate that a construction contractor has been selected. Provide evidence that the construction contract will be executed on or before the end of October.

The above list may not include all Administrative Deficiencies such as those that may be identified upon a supervisory review of the application. Notice of additional Administrative Deficiencies may appear in a separate notification.

All deficiencies must be corrected or otherwise resolved by 5 pm Austin local time on the fifth business day following the date of this deficiency notice. Deficiencies resolved after 5
pm Austin local time on the fifth business day will have 5 points deducted from the final score. For each additional day beyond the fifth day that any deficiency remains unresolved, the application will be treated in accordance with §10.201(7)(B) of the 2018 Uniform Multifamily Rules. Applications with unresolved deficiencies after 5pm Austin local time on the seventh business day may be terminated.

All deficiencies related to the Direct Loan portion of the Application must be resolved to the satisfaction of the Department by 5pm Austin local time on the fifth business day following the date of this deficiency notice. Applications with unresolved deficiencies after 5pm Austin local time on the seventh business day will be suspended from further processing, and the Applicant will be notified to that effect, until the deficiencies are resolved. If, during the period of time when the Application is suspended from review, Direct Loan funds become oversubscribed, the Applicant will be informed that unless the outstanding item(s) are resolved within one business day the Application will be terminated. For purposes of priority under the Direct Loan set-asides, if the outstanding item(s) are resolved within one business day, the date by which the item is submitted shall be the new received date pursuant to §13.5(c) of the 2018 Multifamily Direct Loan Rule. Applicants should be prepared for additional time needed for completion of staff reviews.

Unless the person that issued this deficiency notice, named below, specifies otherwise, submit all documentation at the same time and in only one file using the Department’s Serv-U HTTPS System. Once the documents are submitted to the Serv-U HTTPS system, please email the staff member issuing this notice. If you have questions regarding the Serv-U HTTPS submission process, contact Liz Cline at liz.cline@tdhca.state.tx.us or by phone at (512)475-3227. You may also contact Jason Burr at jason.burr@tdhca.state.tx.us or by phone at (512)475-3986.

**All deficiencies must be corrected or clarified by 5 pm Austin local time on May 4, 2018. Please respond to this email as confirmation of receipt.**

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**About TDHCA**
The Texas Department of Housing and Community Affairs administers a number of state and federal programs through for-profit, nonprofit, and local government partnerships to strengthen communities through affordable housing development, home ownership opportunities, weatherization, and community-based services for Texans in need. For more information, including current funding opportunities and information on local providers, please visit [www.tdhca.state.tx.us](http://www.tdhca.state.tx.us).

---

Regards,

Sharon D. Gamble MSW, PMP
Competitive Housing Tax Credit Program Administrator
2 May 2018

Mr. Bobby Rivers
Camden Builders, Inc.
11 Greenway Plaza, Suite 2400
Houston, TX 77046

Re: New Hope Housing Dale Carnegie – 18137

Dear Bobby,

As you are aware, Dale Carnegie SRO, Ltd., an affiliate of Houston Area Community Development Corporation (HACDC) and New Hope Housing, Inc. (NHHI), has submitted an application for Low Income Housing Tax Credits to the Texas Department of Housing and Community Affairs for New Hope Housing Dale Carnegie. Additionally, Camden Builders, Inc. has been selected as construction contractor for the project since pre-development began in early January 2018.

This project will have an executed construction contract, with closing of all financing, on or before October 31, 2018, as directed in the 2018 Qualified Allocation Plan. The application included myriad support documents to demonstrate readiness to proceed, including the draft AIA construction contract Camden drafted.

This letter is to further demonstrate Camden and HACDC/NHHI's mutual agreement to execute a finalized construction contract on or before October 31, 2018. The permit issue set of drawings is expected to be available on or before June 1, 2018, at which time Camden will begin the contract bid process for final pricing of a Guaranteed Maximum Price contract.

If the above meets your approval and agreement, please sign below and return to our office.

Sincerely,

Joy Horak-Brown
President & CEO
HACDC & New Hope Housing, Inc.

Date: 5/2/2018

Bobby Rivers
Vice President, Construction
Camden Builders, Inc.

Date: 5-2-2018
New Hope Housing Dale Carnegie
Readiness to Proceed Narrative

Dale Carnegie SRO, Ltd., HACDC, and New Hope Housing, Inc. are committed to closing all financing and fully executing all applicable contracts, including the construction contract, on or before October 31, 2018. Since placing the project site under control on January 8, 2018, the organization has been rapidly mobilizing all financing partners, the general contractor, architect, and all consultants and subcontractors to ensure all parties are fully committed and are working toward an October 2018 closing and November 2018 groundbreaking. All development team members have fully committed to this timeline. Below is a detailed summary of itemized documentation submitted with this application to illustrate the project’s readiness to proceed.

Loan or equity commitments with evidence of completed due diligence
- NEF Letter evidences completed due diligence and confirms finance closing timeline included behind Tab 35.
- BBVA Compass letter of timeline confirms due diligence completed and outlines timeline for loan approvals and closing.

Documentation from lender of critical path
- Letter of timeline and confirmation of completed due diligence from BBVA Compass.

Critical path schedule from architect of record
- See attached architect timeline.

Description from architect of record of current stage of architectural plans
- See attached architect timeline, including statement at the top regarding current stage

Description of timing for property acquisition
- Dale Carnegie SRO, Ltd. fully expects to complete site due diligence and close on the land simultaneously with the finance closing, as is customary. The site re-plat has been submitted to the City of Houston, as have the water/wastewater letters, which will allow the owner to proceed with assessing and paying impact fees and have a prepared and approved plat prior to closing.

Description of timing for construction permits
- GSMA timeline shows a Permit Issue Set to be submitted for construction permit application on or before June 1, 2018. The schedule allows for a 90-day review, with a designated permit expeditor. In 2016, at the height of multifamily construction in Houston, TX, the developer was able to submit for permit and deliver a permitted set of drawings within 100 days for a far more complicated mixed-use project. The architect and permit expediter fully expect to pull a permit set of drawings 90 days after submission.
Evidence of selection of construction contractor
- See attached draft of construction contract, including GC contract and prime subcontract. Both of these documents are expected to be executed on or before closing of financing, on or before October 31, 2018. New Hope Housing and HACDC have a significant partnership history with Camden Builders and have been working in close coordination on estimated pricing and timeline execution.

Description of timing for execution of construction contracts
- Final pricing will be issued by Camden approximately 45 days after the permit issue set is delivered by the architect on June 1, 2018. The project owner will enter into a construction contract agreement when the Guaranteed Maximum Price amendment is delivered by Camden and pricing is ultimately finalized. The existing draft construction cost includes an educated and reasonable estimate of cost based on the preliminary construction drawings.

Detailed construction schedule
- See the included construction schedule as attachment to the draft construction contract.

Project execution plan
- See the attached timeline of critical path benchmarks by owner.
- See the attached evidence of development team meeting (sign in sheet) held on February 21, 2018 at the office of the architect of record, GSMA (Ernesto Maldonado). Attendees at this meeting developed the critical path for execution of all key benchmarks to allow the owner to close financing on or before October 31, 2018 and begin construction on November 15, 2018. All meeting attendees are fully committed to executing development benchmarks according to the timelines included within this application. Attendees included the following development team members:
  - Owner Representative: Emily Abeln, HACDC/New Hope Housing, Inc.
  - Architect of record: Ernesto Maldonado, GSMA
  - Civil Engineer of record: David Brewer & Fesseha Mehari, Brewer Escalante
  - Construction Contractor: Mike Eilertsen, Camden Builders, Inc.
  - Project Manager: Marty Schmitt & Alex Zetusky & Spencer Clark, ACGM

Other: Executed geotechnical proposal
- Beginning March 7, 2018 Gorondona will perform comprehensive geotechnical testing, the final report of which will allow the architect and structural engineers to appropriately design the building infrastructure within the design timeline provided. This is further evidence of the owner’s commitment to begin construction in November 2018, immediately after the October 2018 finance closing.

Other: Water/Wastewater Application Submission
- With the current owner’s permission, the developer has submitted application for the Water/Wastewater impact fee letters. This is a critical path benchmark since all impact fees must be submitted alongside the permit application. Project owner anticipates receiving the letters stating the proposed impact fees on or before March 31, 2018, well in advance of the June 1, 2018 permit application benchmark.
Other: Zoning
Appropriate zoning is currently in place for New Hope Housing Dale Carnegie. There is no zoning in the City of Houston. See evidence provided in Tab 8 of the application.

Other: Executed proposal for waterproofing review of architectural drawings
- Dale Carnegie SRO, Ltd. is not only committed to the accelerated timeline of beginning construction in November 2018, but it is equally committed to design quality and superior building envelope construction. NHHI has brought on the waterproofing consultant, BE-CI to conduct preliminary design reviews and documented recommendations for developing a project of the highest design and construction quality. BE-CI has also been commissioned for field testing, which simulates catastrophic rain conditions, to ensure subcontractor execution of the design plans and manufacturer recommendations for the building envelope materials.
In the course of the Department’s Housing Tax Credit Eligibility/Selection/Threshold and/or Direct Loan review of the above referenced application, a possible Administrative Deficiency as defined in §10.3(a)(2) and described in §10.201(7)(A) and/or §10.201(7)(B) of the 2018 Uniform Multifamily Rules was identified. By this notice, the Department is requesting documentation to correct the following deficiency or deficiencies. Any issue initially identified as an Administrative Deficiency may ultimately be determined to be beyond the scope of an Administrative Deficiency, and the distinction between material and non-material missing information is reserved for the Director of Multifamily Finance, Executive Director, and Board.

- Tab 35, Syndication Letter – The first page of the syndication letter is missing. Provide the page.
- Tab 37, Developer Chart – I did not see a developer chart. Provide the chart.
- Tab 39, Previous Participation – There is a form with the name “Mack Fowler” on it. This name does not appear on the org chart. Please clarify.

The above list may not include all Administrative Deficiencies such as those that may be identified upon a supervisory review of the application. Notice of additional Administrative Deficiencies may appear in a separate notification.

All deficiencies must be corrected or otherwise resolved by 5 pm Austin local time on the fifth business day following the date of this deficiency notice. Deficiencies resolved after 5 pm Austin local time on the fifth business day will have 5 points deducted from the final score. For each additional day beyond the fifth day that any deficiency remains unresolved, the application will be treated in accordance with §10.201(7)(B) of the 2018 Uniform Multifamily Rules. Applications with unresolved deficiencies after 5 pm Austin local time on the seventh business day may be terminated.

All deficiencies related to the Direct Loan portion of the Application must be resolved to the satisfaction of the Department by 5 pm Austin local time on the fifth business day following the date of this deficiency notice. Applications with unresolved deficiencies after 5 pm Austin local time on the seventh business day will be suspended from further processing, and the Applicant will be notified to that effect, until the deficiencies are resolved. If, during the period of time when the Application is suspended from review, Direct Loan funds become oversubscribed, the Applicant will be informed that unless the outstanding item(s) are resolved within one business day the Application will be terminated. For purposes of priority under the Direct Loan set-asides, if the outstanding item(s) are resolved within one
business day, the date by which the item is submitted shall be the new received date pursuant to §13.5(c) of the 2018 Multifamily Direct Loan Rule. Applicants should be prepared for additional time needed for completion of staff reviews.

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All applicants should review §§11.1(b) and 10.2(b) of the 2018 QAP and Uniform Multifamily Rules as they apply to due diligence, applicant responsibility, and the competitive nature of the program for which they are applying.

**All deficiencies must be corrected or clarified by 5 pm Austin local time on May 24, 2018. Please respond to this email as confirmation of receipt.**

About TDHCA
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Elizabeth Henderson
Program Specialist III
Texas Department of Housing and Community Affairs
221 E. 11th Street | Austin, TX 78701
Office: 512.463.9784 | Fax: 512.475.0764

Any person receiving guidance from TDHCA staff should be mindful that, as set forth in 10 TAC Section 11.1(b) there are important limitations and caveats (Also see 10 TAC §10.2(b)).
May 22, 2018

Ms. Elizabeth Henderson, Program Specialist  
Texas Department of Housing and Community Affairs  
elizabeth.henderson@tdhca.state.tx.us

Re:  18137 – NHH Dale Carnegie  
Applicant Response to Administrative Deficiency Issued May 17, 2018

Dear Ms. Henderson,

Please accept this letter and the attached documentation on behalf of Dale Carnegie SRO, Ltd. as a formal response to your Administrative Deficiency Notice dated May 17, 2018. The first deficiency below was administrative in nature, while the second and third have been clarified or highlighted in the original documentation. The corrections/clarifications have no material impact on the project or the application.

1. Tab 35 Syndication Letter  
   - Please see attached.

2. Tab 37 Developer Chart  
   - The Developer chart was combined with the Limited Partnership/Ownership chart and reflected HACDC as the Sole Member of the General Partner as well as the Developer. Included here is the original chart with the Developer role highlighted, as well as a separate chart for the Developer entity.

3. Tab 39 Previous Participation – There is a form with the name “Mack Fowler” on it.  
   - Michael M. Fowler is frequently referred to by his chosen name “Mack.” In any documentation/correspondence referring to the Executive Chairman of both New Hope Housing and HACDC the following names refer to the same person: Michael M. Fowler, Michael Fowler, Mack M. Fowler, Mack Fowler  
   - Tab 39 has been revised to reflect the Executive Chairman’s given name, as well as his chosen name in quotations to clarify any further instances of “Mack.”

We welcome the opportunity to discuss any further questions you may have.

Sincerely,

Joy Horak-Brown  
President & CEO  
joy@newhopehousing.com

Emily Abeln  
VP, Real Estate Development & Corporate Secretary  
emily@newhopehousing.com
Ms. Joy Horak-Brown, CEO  
Houston Area Community Development Corp.  
1117 Texas Ave.  
Houston, TX  77002

Re: New Hope Housing Dale Carnegie

Dear Ms. Horak-Brown:

On behalf of National Equity Fund, Inc. (“NEF”), I am pleased to provide this Letter of Intent (“Letter”) which outlines the principal business terms of our proposed investment in the above-named Project. We invest through our affiliate, NEF Assignment Corporation (“Assignment Corporation”), by purchasing a [99.99%] interest in the Limited Partnership formed to own and operate the Project. When we refer to “NEF,” we mean National Equity Fund, Inc. and its affiliates, including without limitation Assignment Corporation. As a preliminary matter, I will note that the terms of this Letter are based on certain assumptions which are incorporated in corresponding TDHCA application. Changes in those assumptions may result in changes to the terms of our proposed investment.

Upon your acceptance of this Letter, we will begin our standard due diligence activities. Upon successful completion of our due diligence and receipt of internal approvals, we will prepare a Limited Partnership Agreement, based on our current model form (“Limited Partnership Agreement”), and related closing agreements. These agreements will incorporate the terms appearing in this Letter, subject to any modifications that may be required to obtain final investment approval. We will then proceed to close this investment. NEF is aware of the Readiness to Proceed requirements included in the 2018 QAP and intends to close this transaction by October 31, 2018. NEF has reviewed the following completed due diligence as of the issuance of this letter:

1. The financial feasibility of the Project including the review of a market study and site location;
2. The financial capacity of the Guarantors;
3. The financial capacity and experience of the general contractor;
4. Complete construction contract;
5. Survey and title commitment
6. Architectural drawings, and
7. Site feasibility study
1. **Property Information**

The Project consists of a proposed LIHTC, multifamily community which will consist of 170 units for tenants with special needs located in Houston, TX. All units will be set aside for families with incomes at or below 60% of Area Median Income.

2. **Property Ownership**

- **Limited Partnership:** Dale Carnegie SRO, Ltd. (the “Limited Partnership”)
- **General Partner:** NHH at Dale Carnegie, LLC, which will be 100% owned by Houston Area Community Development Corporation.
- **Sponsor/Developer:** New Hope Housing, Inc./Houston Area Community Development Corporation
- **Guarantor(s):** New Hope Housing, Inc., Houston Area Community Development Corporation, and NHH at Dale Carnegie, LLC. These entities have been reviewed by NEF.
- **Limited Partner:** One or more investor funds, limited partnerships or limited liability companies of which NEF or its affiliate is the general partner or managing member, or Assignment Corporation, as nominee, on behalf of one or more such entities.

3. **Project Financing**

   A. **Construction Loan.** The Limited Partnership expects to receive a construction loan term sheet or commitment for the Project of approximately $13,686,068 for an initial term of at least 24 months and a 6 month extension at an estimated 5.0% interest rate.

   B. **Permanent Financing.** The permanent financing on the project is as follows: (All loans are non-recourse loans, unless otherwise noted, and all financing structures must be acceptable to NEF.)

<table>
<thead>
<tr>
<th>Lender</th>
<th>Lender/ Source</th>
<th>Amount</th>
<th>Interest Rate</th>
<th>Term</th>
<th>Amort</th>
<th>Hard/Soft Debt</th>
<th>Available During Const. (y/n)</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Mortgage</td>
<td>City of Houston</td>
<td>$10,000,000</td>
<td>0.0%</td>
<td>40</td>
<td>N/A</td>
<td>Soft</td>
<td>Yes</td>
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<tr>
<td>Second Mortgage</td>
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<td>$1,955,704</td>
<td>3.0%</td>
<td>40</td>
<td>40</td>
<td>Soft</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Permanent amortizing debt must be a fixed-rate commitment for a minimum of 16 years with terms acceptable to NEF.
4. **Timing Assumptions**

This Letter is based on the following timing assumptions:

<table>
<thead>
<tr>
<th>Benchmark</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Limited Partnership Closing</td>
<td>10/31/18</td>
</tr>
<tr>
<td>Construction Start</td>
<td>10/31/18</td>
</tr>
<tr>
<td>Placed In Service Date</td>
<td>10/1/20</td>
</tr>
<tr>
<td>100% Qualified Occupancy</td>
<td>9/1/21</td>
</tr>
<tr>
<td>Stabilized Occupancy</td>
<td>12/1/21</td>
</tr>
</tbody>
</table>

If these timing assumptions are not met, the terms of our proposed investment are subject to change. The term “Tax Credit Compliance Period” means, for each building in the Project, the 15 taxable years beginning with the first taxable year of the ‘Credit Period’, as defined in Section 42 of the Internal Revenue Code, as amended (“Code”).

5. **Tax Credit Price and Pay-In Schedule**

The Limited Partner will purchase the Tax Credits described in Paragraph 6 for a total purchase price of $14,100,000 (“Capital Contributions”), or $0.94 cents for each $1.00 of projected Tax Credits. Proceeds of the Capital Contributions will be used to fund Project equity (“Project Equity”) and the non-deferred portion of the Developer Fee (“Non-Deferred Developer Fee”). NEF will advance Project Equity and the Non-Deferred Developer Fee in installments, based upon its determination that the conditions specified in the Limited Partnership Agreement for payment of that installment (“Applicable Conditions”) have been met. We make this determination based on our review and approval of certain documents you provide to us. Equity disbursements during construction are expected to be made through the construction lender’s escrow or, if there is no construction lender, through a title company using a disbursement agreement acceptable to NEF. We currently expect installments of Project Equity will be paid according to the schedule below. The schedule identifies some of the Applicable Conditions that will apply to each payment.

A. **First Installment**: $1,410,000 (10.0%). The Applicable Conditions for this payment will include satisfactory evidence or approval of:

   (i) Admission of NEF to the Limited Partnership and commencement of construction.
B. **Second Installment:** $9,165,000 (65%). The Applicable Conditions for this payment will include satisfactory evidence or approval of:

(i) Completion of 100% of Project construction;
(ii) Temporary (or, if available, Final) Certificates of Occupancy;
(iii) Architect’s certification indicating that all the work has been completed substantially in accordance with plans and specifications;
(iv) Satisfaction of the 10% Carryover Allocation requirements (if not addressed at Closing);
(v) Owner’s title insurance policy in final form;
(vi) Architect’s certification indicating that all the work has been completed substantially in accordance with plans and specifications;
(vii) Draft Cost Certification verifying the Tax Credit basis;

C. **Third Installment:** $2,820,000 (20%). The Applicable Conditions for this payment will include satisfactory evidence or approval of:

(i) 100% Qualified Occupancy of all Project Tax Credit Units;
(ii) Funding of the Project’s permanent loan and receipt of executed permanent loan documents in approved form;
(iii) Payment of any amounts required by the General Partner’s Development Completion Guaranty;
(iv) Achievement of Stabilized Occupancy (generally defined as at least 90% occupancy with an Expense Coverage Ratio of 1.05x or better for a three consecutive month period after construction completion).
(vi) Completion of any outstanding punch list items;
(vii) Owner’s date down title insurance coverage;
(viii) “As-Built” ALTA survey;
(ix) Final lien waivers from the General Contractor;
(x) If applicable, receipt (or evidence of filing) of real estate tax abatement;
(xi) Final Certificates of Occupancy, if not previously provided;
(xii) Final Cost Certification verifying the Tax Credit basis;
(xiii) Funding of Project reserves (or funding with the proceeds of this installment) at the required levels;
(xiv) If applicable, satisfaction of radon testing requirements;
(xv) Recorded Extended Use Agreement; and
$453,609 of this installment will be used to fund the Operating Reserve
D. Fourth Installment: $705,000 (5%). The Applicable Conditions for this payment will include satisfactory evidence or approval of:

(i) The first year’s tax return and K-1;
(ii) Fully executed Form 8609 for all Project buildings; and

6. Developer Fee

The Developer will earn a fee for development services in the total amount of $3,010,539 (the “Developer Fee”). None of the Developer Fee is projected to be deferred. If for some unforeseen reason a portion of the Developer Fee is deferred it will be payable from cash received from the operation of the Limited Partnership, after payment of debt service and operating expenses (“Cash Flow”), during the Tax Credit Compliance Period. Any principal balance and/or accrued interest on the Deferred Developer Fee remaining unpaid by the end of the eleventh (11th) year of the Tax Credit Compliance Period must be paid in full by the General Partner. Developer fee will be funded as follows: 25% at Closing, 25% at Construction Completion, 40% at Stabilization, and 10% at 8609s.

7. Reserve Requirements

A. Operating Reserve. $453,609, will be funded from a portion of the Limited Partner’s Capital Contributions. The General Partner will be permitted to use funds in the Operating Reserve account prior to any draw on its Operating Deficit Guaranty obligation. We approve all withdrawals from the Operating Reserve account. This Operating Reserve account remains with the Limited Partnership through the Tax Credit Compliance Period and any funds in the account at the end of that period will be distributed according to the priorities identified for Sale/Refinancing proceeds under Paragraph 13 hereof.

B. Replacement Reserve. The General Partner must fund the Replacement Reserve account in the annual amount of $300 per unit per year (to be increased annually by 3% per annum from Project revenues throughout the Tax Credit Compliance Period. We must approve withdrawals that in the aggregate during any calendar year exceed the lesser of (i) $5,000 or (ii) ten percent (10%) of the amount then remaining in the Replacement Reserve account. Any funds remaining in the Replacement Reserve account at the end of the Tax Credit Compliance Period will be distributed according to the priorities identified for Sale/Refinancing proceeds under Paragraph 13 hereof.
8. **General Partner Guaranties and Other Obligations**

A. **Development Completion Guaranty.** Guarantors will provide an unlimited guarantee of development completion which includes payments required for construction completion, funding of any operating deficits prior to Stabilized Occupancy, and conversion of the construction loan to a right-sized permanent loan having debt service requirements consistent with targeted debt service coverage levels. The General Partner will provide monthly reports to us during construction. The general contractor will provide (i) either a Stipulated Sum Contract or a Guaranteed Maximum Price Contract (using the current AIA form of agreement), and (ii) either a letter of credit equal to 15% of the total construction cost or a 100% payment and performance bond.

B. **Operating Deficit Guaranty.** Guarantors will provide an Operating Deficit Guaranty in the amount of $453,609 until the Project has maintained a 1.05 annual Expense Service Coverage Ratio for two consecutive years after the third anniversary of the date Stabilized Occupancy is achieved. If at the end of that period the Operating Reserve is not funded at the level specified in Paragraph 10.B above, the Operating Deficit Guaranty will remain in effect until the General Partner causes the Operating Reserve to be funded at the required level in the manner provided in the Limited Partnership Agreement.

C. **Repurchase.** Guarantors are required to repurchase the Limited Partner’s interest if certain major adverse events occur that threaten the continuing viability of the Project or its ability to generate the projected Tax Credits. The conditions triggering this repurchase obligation and the repurchase amount are described in detail in the Limited Partnership Agreement.

D. **Environmental Indemnification.** Guarantors will provide an environmental indemnification with regard to the presence of any hazardous substances or the existence of other environmental conditions at the Project Property. Our standard environmental indemnification provisions are contained in the Limited Partnership Agreement.

**Guaranty of General Partner’s Obligations.** The Guarantor(s) (jointly and severally if there is more than one) will guaranty full performance of all of the General Partner’s obligations under the Limited Partnership Agreement, including the specific guaranty obligations described under this Paragraph 11. All guaranties provided by the General Partner and Guarantor(s) are joint and several and payments under these guaranties will be made as no-interest loans to the Limited Partnership.
9. **Limited Partner Transfers**

The Limited Partner will have certain rights to transfer its interest in the Limited Partnership, including the right to withdraw from the Limited Partnership at any time after the Limited Partner has satisfied its obligation to pay Capital Contributions and the right to put its interest to the General Partner upon the expiration of the Tax Credit Compliance Period.

10. **Reports**

During the term of our investment, the General Partner will provide the following reports: (i) quarterly management and financial reports for the Limited Partnership, (ii) state and federal tax returns, (iii) monthly construction status and lease-up reports, (iv) copies of all construction loan draw requests, (v) annual audited financial statements for the Limited Partnership prepared in accordance with generally accepted accounting principles (GAAP), (vi) annual budget, and (vii) other information regarding significant Limited Partnership operations. The General Partner is required to submit such reports to the Limited Partner within the time frames established by the Limited Partnership Agreement. The fiscal year of the Limited Partnership will be the calendar year unless otherwise specified by us.

11. **Limited Partner Expenses**

We will charge the Limited Partnership $52,000 for legal fees and other closing costs inclusive of the NEF tax opinion. We may require a third party construction inspector to provide monthly reports to us. If a third party construction inspector is needed, the cost will be added to the Project budget.

12. **Model Form Project Limited Partnership Agreement**

The Limited Partnership Agreement will be prepared by our attorneys using our current model form agreement. The model form contains a variety of key terms that define the rights and obligations of the parties. This document is updated on a periodic basis in response to comments we receive from investors.
13. **Summary**

This Letter summarizes the general terms and conditions of our investment which will be further detailed in the Limited Partnership Agreement. If these terms are acceptable to you, please sign and return this Letter to:

Jason Aldridge | Vice President of Originations
NATIONAL EQUITY FUND®
5332 Longview St
Dallas, TX 75206
Phone (972) 741-5150

This Letter is valid until August 31, 2018 with an LPA closing no later than October 31, 2018. If this Letter is not signed by you prior to such date due to changes in market conditions or other assumptions on which this Letter is based, we will extend the date so long as you continue to work with us in good faith to restructure the transaction in a mutually satisfactory manner. We reserve the right to terminate this Letter at any time if we determine that such efforts are not likely to lead to a result reasonably satisfactory to us within a reasonable period of time not to exceed sixty (60) days from the date of this Letter.

By signing this Letter, and in consideration of the cost and expense incurred or to be incurred by us in conducting due diligence documentation and review, the Sponsor/General Partner hereby grants NEF or its affiliate the right to acquire a 99.99% interest in the Limited Partnership and the exclusive right to syndicate the Tax Credits generated by the Project. Our exclusive right to syndicate the tax credits shall continue until the earlier of (i) the date that occurs two years from the date of this letter or (ii) the date on which we agree in writing to terminate its exclusive right to syndicate the Tax Credits. Also, by executing this Letter you hereby authorize us to make any credit inquiries that we may deem necessary as part of its underwriting. These credit inquiries may be performed on the General Partner, Sponsor/Developer, Guarantors, or any other entities as determined to be necessary by us.

As next steps, we will perform a site visit and conduct document review and other due diligence activities to verify the information that has been provided and will be provided and the assumptions contained in the Projections. Our ability to recommend this proposed investment for final internal approval will depend upon a satisfactory outcome to these due diligence activities. Final internal approval requires action by our Investment Review Committee. If the committee grants approval, we will prepare the Limited Partnership Agreement and discuss with you and your attorneys all closing documentation and checklist items. This Investment Review Committee must approve this investment and the closing must occur by the date shown in Paragraph 5 above. We reserve the right to terminate this Letter if we determine that any of the conditions described in this paragraph have not or will not be met in a timely manner.
Upon receipt of this Letter executed by you, NEF will continue its due diligence on the Project investment. At your request, we may engage outside counsel to draft documents and conduct legal reviews prior to approval of this transaction by our Investment Review Committee, on the condition that you assume responsibility for payment of our legal fees if the transaction is not approved or does not close due to a change of assumptions incorporated in the Projections or other reasons outside of NEF’s control.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]
We look forward to working with you and your organization on this important affordable housing project in your community.

Sincerely,

NATIONAL EQUITY FUND, INC.

[Signature]

Jason Aldridge, Vice President

Accepted:

[Signature]

By: [Signature]

DATE: 3/1/2018
HACDC is a non-profit Community Housing Development Organization controlled by New Hope Housing, a Texas nonprofit

Low-income neighborhood representatives

Karen Briggs Gwin
Treasurer & CFO

Nicole Cassier-Mason
VP, Fund Development/Communications

Officers of the Corporation

Joy Horak-Brown
President & CEO

Karen Briggs Gwin
Treasurer & CFO

Nicole Cassier-Mason
VP, Fund Development/Communications

Tamara Foster
VP, Onsite Operations

Emily Abeln
VP, Real Estate Development & Secretary

* HACDC is a non-profit Community Housing Development Organization controlled by New Hope Housing, a Texas nonprofit

** Low-income neighborhood representatives
**HACDC** is a non-profit Community Housing Development Organization controlled by New Hope Housing, a Texas nonprofit

**Low-income neighborhood representatives**

<table>
<thead>
<tr>
<th>Officers of the Corporation</th>
<th>0%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Joy Horak-Brown</td>
<td>President &amp; CEO</td>
</tr>
<tr>
<td>Karen Briggs Gwin</td>
<td>Treasurer &amp; CFO</td>
</tr>
<tr>
<td>Nicole Cassier-Mason</td>
<td>VP, Fund Development/Communications</td>
</tr>
<tr>
<td>Tamara Foster</td>
<td>VP, Onsite Operations</td>
</tr>
<tr>
<td>Emily Abeln</td>
<td>VP, Real Estate Development &amp; Secretary</td>
</tr>
</tbody>
</table>

**HACDC** Logo

DEVELOPER ORGANIZATION CHART

Houston Area Community Development Corporation
1117 Texas Ave., Houston 77002

Board of Directors
0%

Michael M. Fowler, Executive Chairman
Sanford W. Criner, Jr., Vice Chair
Mark C. Wilson
Secretary of the Board of Directors
Jeff Compton, Director
Irma G. Galvan, Director**

Preston Roe, Director**

[Diagram of organization chart]

* HACDC is a non-profit Community Housing Development Organization controlled by New Hope Housing, a Texas nonprofit

** Low-income neighborhood representatives
Previous Participation Form

Form must be completed separately for each entity (i.e. person, organization, etc.) that has or will have a controlling interest or oversight in the contract, award, agreement, or ownership transfer being considered. This form should also be completed for each board member, individual with signature authority, executive director, or elected official that represents the person/entity (as applicable).

Person/Role: Michael M. Fowler "Mack", Executive Chairman - New Hope Housing, Inc. & HACDC
Email Address: mmf@bunkerh.com
City & State of Home Addr: Houston, Texas
Applicant Legal Name: Dale Carnegie SRO, Ltd.

1. List experience with all TDHCA rental development programs (including: HTC, HTC Exchange, Direct Loan (HOME, TCAP, RHD), and BOND) that you have controlled at any time.

   By selecting this box I certify that I have no prior experience with any TDHCA administered affordable rental program.

<table>
<thead>
<tr>
<th>TDHCA ID#</th>
<th>Property Name</th>
<th>Property City</th>
<th>Program</th>
<th>Control began (mm/yy)</th>
<th>Control End (mm/yy)</th>
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<td>7210</td>
<td>NHH at Brays Crossing</td>
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<td>HTC</td>
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<td>Houston</td>
<td>HTC &amp; TCAP</td>
<td>Sep-16</td>
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</table>

2. Identify all Community Affairs and Single Family department programs that you have participated in within the last three(3) years by placing an "x" next to the program name.

   By selecting this box I certify that I have no prior experience with any TDHCA Single Family or Community Affairs Programs.

<table>
<thead>
<tr>
<th>Community Affairs:</th>
<th>CEAP</th>
<th>DOE</th>
<th>HHSP</th>
<th>WAP</th>
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<tr>
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</tr>
<tr>
<td>HOME:</td>
<td>CFDC</td>
<td>HBA</td>
<td>PWD</td>
<td>TBRA</td>
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<tr>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>HTF/OCI:</td>
<td>AYBR</td>
<td>Bootstrap</td>
<td>CFDC</td>
<td>Self-Help</td>
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<td></td>
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<td>Other:</td>
<td></td>
<td></td>
<td></td>
<td>NSP</td>
</tr>
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</table>

控制  End (mm/yy)
In the course of the Department’s Housing Tax Credit Eligibility/Selection/Threshold and/or Direct Loan review of the above referenced application, a possible Administrative Deficiency as defined in §10.3(a)(2) and described in §10.201(7)(A) and/or §10.201(7)(B) of the 2018 Uniform Multifamily Rules was identified. By this notice, the Department is requesting documentation to correct the following deficiency or deficiencies. Any issue initially identified as an Administrative Deficiency may ultimately be determined to be beyond the scope of an Administrative Deficiency, and the distinction between material and non-material missing information is reserved for the Director of Multifamily Finance, Executive Director, and Board.

1. Please indicate where the Accessible Hearing/Visual units are located.

The above list may not include all Administrative Deficiencies such as those that may be identified upon a supervisory review of the application. Notice of additional Administrative Deficiencies may appear in a separate notification.

All deficiencies must be corrected or otherwise resolved by 5 pm Austin local time on the fifth business day following the date of this deficiency notice. Deficiencies resolved after 5 pm Austin local time on the fifth business day will have 5 points deducted from the final score. For each additional day beyond the fifth day that any deficiency remains unresolved, the application will be treated in accordance with §10.201(7)(B) of the 2018 Uniform Multifamily Rules. Applications with unresolved deficiencies after 5pm Austin local time on the seventh business day may be terminated.

All deficiencies related to the Direct Loan portion of the Application must be resolved to the satisfaction of the Department by 5pm Austin local time on the fifth business day following the date of this deficiency notice. Applications with unresolved deficiencies after 5pm Austin local time on the seventh business day will be suspended from further processing, and the Applicant will be notified to that effect, until the deficiencies are resolved. If, during the period of time when the Application is suspended from review, Direct Loan funds become oversubscribed, the Applicant will be informed that unless the outstanding item(s) are resolved within one business day the Application will be terminated. For purposes of priority under the Direct Loan set-asides, if the outstanding item(s) are resolved within one business day, the date by which the item is submitted shall be the new received date pursuant to §13.5(c) of the 2018 Multifamily Direct Loan Rule. Applicants should be prepared for additional time needed for completion of staff reviews.

Unless the person that issued this deficiency notice, named below, specifies otherwise,
submit all documentation at the same time and in only one file using the Department’s Serv-U HTTPs System. Once the documents are submitted to the Serv-U HTTPs system, please email the staff member issuing this notice. If you have questions regarding the Serv-U HTTPs submission process, contact Liz Cline at liz.cline@tdhca.state.tx.us or by phone at (512)475-3227. You may also contact Jason Burr at jason.burr@tdhca.state.tx.us or by phone at (512)475-3986.

All applicants should review §§11.1(b) and 10.2(b) of the 2018 QAP and Uniform Multifamily Rules as they apply to due diligence, applicant responsibility, and the competitive nature of the program for which they are applying.

**All deficiencies must be corrected or clarified by 5 pm Austin local time on June 27, 2018. Please respond to this email as confirmation of receipt.**

About TDHCA
The Texas Department of Housing and Community Affairs administers a number of state and federal programs through for-profit, nonprofit, and local government partnerships to strengthen communities through affordable housing development, home ownership opportunities, weatherization, and community-based services for Texans in need. For more information, including current funding opportunities and information on local providers, please visit www.tdhca.state.tx.us.

Nicole Fisher
Housing Specialist
Texas Department of Housing and Community Affairs
221 E. 11th Street | Austin, TX 78701
Office: 512.475.2201
Fax: 512.475.1895

*Any person receiving guidance from TDHCA staff should be mindful that, as set forth in 10 TAC Section 11.1(b) there are important limitations and caveats (Also see 10 TAC §10.2(b)).*
June 21, 2018

Ms. Nicole Fisher, Housing Specialist  
Multifamily Finance Division  
Texas Department of Housing and Community Affairs  
nicole.fisher@tdhca.state.tx.us

Re:  18137 – NHH Dale Carnegie  
Applicant Response to Administrative Deficiency Issued June 20, 2018

Dear Ms. Fisher,

Please accept this letter and the attached documentation on behalf of Dale Carnegie SRO, Ltd. as a formal response to your Administrative Deficiency Notice dated June 21, 2018.

Please indicate where the Accessible Hearing/Visual units are located.
  • Please see attached.

We welcome the opportunity to discuss any further questions you may have.

Sincerely,

Joy Horak-Brown  
President & CEO  
joy@newhopehousing.com

Emily Abeln  
VP, Real Estate Development & Corporate Secretary  
emily@newhopehousing.com
SQUARE FOOTAGES - LEVEL ONE

(2) UNIT TYPE A - ACCESSIBLE UNIT 720 SF
(34) UNIT TYPE C - STANDARD UNIT 9,520 SF
(1) UNIT TYPE C - HEARING/VISUALLY IMPAIRED EQUIPPED COMMON AREAS FOR RESIDENTS 280 SF
MECHANICAL/BUILDING SUPPORT (RESTRICTED) 2,601 SF
CIRCULATION 7,203 SF
LEVEL ONE TOTAL 23,574 SF

LEGEND

- CIRCULATION
- COMMON AREA
- MECHANICAL
- PUBLIC SERVICES
- STAIRS
- UNIT A - ACCESSIBLE
- UNIT C - HEARING/VISUAL
- UNIT C - STANDARD

1ST FLOOR PLAN

NEW HOPE DALE CARNegie
SQUARE FOOTAGES - LEVEL TWO

(3) UNIT TYPE A - ACCESSIBLE UNIT 1,080 SF
(30) UNIT TYPE C - STANDARD UNIT 8,400 SF
(1) UNIT TYPE C - HEARING / VISUALLY IMPAIRED EQUIPPED 280 SF
(7) UNIT TYPE D - EXTENDED STANDARD UNIT 2,156 SF
COMMON AREAS FOR RESIDENTS 3,510 SF
MECHANICAL / BUILDING SUPPORT (RESTRICTED) 2,061 SF
CIRCULATION 5,627 SF
LEVEL TWO TOTAL 23,774 SF

LEGEND

- CIRCULATION
- COMMON AREA
- MECHANICAL
- PUBLIC SERVICES
- STAIRS
- UNIT A - ACCESSIBLE
- UNIT C - HEARING / VISUAL
- UNIT C - STANDARD
- UNIT D - EXTENDED

NOTE:
SEE "COMMON AREA PLANS" SHEET FOR ENLARGED PLANS OF COMMON AREAS

SQUARE FOOTAGES:

LEVEL TWO TOTAL 23,774 SF
SQUARE FOOTAGES - LEVEL THREE

(2) UNIT TYPE A - ACCESSIBLE UNIT 720 SF
(1) UNIT TYPE B - LARGE UNIT 360 SF
(23) UNIT TYPE C - STANDARD UNIT 6,440 SF
(1) UNIT TYPE C - HEARING/VISUAL IMPAIRED EQUIPPED 280 SF
(19) UNIT TYPE D - EXTENDED STANDARD UNIT 5,852 SF
COMMON AREAS FOR RESIDENTS
MECHANICAL/BUILDING SUPPORT (RESTRICTED) 1,917 SF
CIRCULATION 5,627 SF
LEVEL THREE TOTAL 21,796 SF

LEGEND
- CIRCULATION
- COMMON AREA
- MECHANICAL
- STAIRS
- UNIT A - ACCESSIBLE
- UNIT B - LARGE
- UNIT C - HEARING/VISUAL
- UNIT C - STANDARD
- UNIT D - EXTENDED

NEW HOPE DALE CARNEGIE

3RD FLOOR PLAN

DATE: 12 MAR 2018
JOB #: 1901NHD
SCALE: 1" = 30'-0"
SQUARE FOOTAGES - LEVEL FOUR

<table>
<thead>
<tr>
<th>Unit Type</th>
<th>Square Footage</th>
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<tbody>
<tr>
<td>Type A - Accessible</td>
<td>720 SF</td>
</tr>
<tr>
<td>Type B - Large</td>
<td>360 SF</td>
</tr>
<tr>
<td>Type C - Standard</td>
<td>11,520 SF</td>
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<tr>
<td>Type C - Hearing/Visual Impaired Equipped</td>
<td>280 SF</td>
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<tr>
<td>Type D - Extended Standard</td>
<td>924 SF</td>
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<tr>
<td>Mechanical/Building Support (Restricted)</td>
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<tr>
<td>Circulation</td>
<td>2,306 SF</td>
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<tr>
<td>Level Four Total</td>
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</table>

**LEGEND**

- CIRCULATION
- COMMON AREA
- MECHANICAL
- MECHANICAL/BUILDING SUPPORT (RESTRICTED)
- STAIRS
- UNIT A - ACCESSIBLE
- UNIT B - LARGE
- UNIT C - HEARING/VISUAL
- UNIT C - STANDARD
- UNIT D - EXTENDED

**NEW HOPE DALE CARNEGIE**

**4TH FLOOR PLAN**

**NOT FOR REGULATORY APPROVAL, PERMITTING OR CONSTRUCTION**

**DATE:** 12 MAR 2018

**JOB #:** 1801NHD

**SCALE:** 1" = 30'-0"
Multifamily Finance Division staff will place scanned copies of scoring notices behind this tab in the application .pdf
RE: 2018 Competitive Housing Tax Credit (HTC) Application for New Hope Housing Dale Carnegie, TDHCA Number: 18137

The Texas Department of Housing and Community Affairs has completed its program review of the Application referenced above as further described in the 2018 Qualified Allocation Plan (“QAP”). This scoring notice provides a summary of staff’s assessment of the application’s score. The notice is divided into several sections.

Section 1 of the scoring notice provides a summary of the score requested by the Applicant followed by the score staff has assessed based on the Application submitted. You should note that six scoring items are not reflected in this scoring comparison but are addressed separately.

Section 2 of the scoring notice includes each of the six scoring criteria for which points could not be requested by the Applicant in the application self-score form and include: §11.9(c)(8) Readiness to Proceed in Disaster Impacted Counties, §11.9(d)(1) Local Government Support, §11.9(d)(4) Quantifiable Community Participation, §11.9(d)(5) Community Support from State Representative, §11.9(d)(6) Input from Community Organizations, and §11.9(d)(7) Concerted Revitalization Plan.

Section 3 provides information related to any point deductions assessed under §11.9(f) of the QAP or §10.201(7)(A) of the Uniform Multifamily Rules.

Section 4 provides the final cumulative score in bold.

Section 5 includes an explanation of any differences between the requested and awarded score as well as any penalty points assessed.

The scores provided herein are merely informational at this point in the process and may be subject to change. For example, points awarded under §11.9(e)(4) “Leveraging of Private, State, and Federal Resources”, 11.9(b)(1)(A) "Unit Sizes", 11.9(b)(1)(B) "Unit and Development Features", 11.9(c)(1) "Income Levels of Tenants", 11.9(c)(2) "Rent Levels of Tenants", 11.9(e)(1) "Financial Feasibility", 11.9(e)(3) "Pre-Application Participation", and may be adjusted should the underwriting review result in changes to the Application that would affect these scores. If a scoring adjustment is necessary, staff will provide the Applicant a revised scoring notice.

Be further advised that if the Applicant failed to properly disclose information in the Application that could have a material impact on the scoring information provided herein, the score included in this notice may require adjustment and/or the Applicant may be subject to other penalties as provided for in the Department’s rules.

This scoring notice is provided by staff at this time to ensure that an Applicant has sufficient notice to exercise any appeal process provided under §10.902 of the Uniform Multifamily Rules. All information in this scoring notice is further subject to modification, acceptance, and/or approval by the Department’s Governing Board. If the score of an Application changes, a revised scoring notice will be provided to the Applicant.
Score Requested by Applicant (Not including points for §11.9(c)(8) or (d)(1), (4), (5), (6) or (7) of the 2018 QAP): 116
Score Awarded by TDHCA (Not including points for §11.9(c)(8) or (d)(1), (4), (5), (6) or (7) of the 2018 QAP): 116
Difference between Requested and Awarded: 0

Section 2:
Points Awarded for §11.9(c)(8) Readiness to Proceed: 5
Points Awarded for §11.9(d)(1) Local Government Support: 17
Points Awarded for §11.9(d)(4) Quantifiable Community Participation: 4
Points Awarded for §11.9(d)(5) Community Support from State Representative: 8
Points Awarded for §11.9(d)(6) Input from Community Organizations: 4
Points Awarded for §11.9(d)(7) Concerted Revitalization Plan: 7

Section 3:
Points Deducted for §11.9(f) of the QAP or §10.201(7)(A) of the Uniform Multifamily Rules: 0

Section 4:
Final Score Awarded to Application by Department staff (Including all points): 161

Section 5:
Explanation for difference between points requested and points awarded by the Department as well as penalties assessed:
NA

Restrictions and requirements relating to the filing of an appeal can be found in §10.902 of the Uniform Multifamily Rules. If you wish to appeal this scoring notice, you must file your appeal with the Department no later than 5:00 p.m. Austin local time, Friday, June 8, 2018. If an appeal is denied by the Executive Director, an Applicant may appeal to the Department’s Board.

In an effort to increase the likelihood that Board appeals related to scoring are heard at the Board meeting, the Department has provided an Appeal Election Form for all appeals submitted to the Executive Director. In the event an appeal is denied by the Executive Director, the Applicant is able to request that the appeal automatically be added to the Board agenda.

If you have any concerns regarding potential miscalculations or errors made by the Department, please contact Sharon Gamble at (512) 936-7834 or by email at sharon.gamble@tdhca.state.tx.us.

Sincerely,

Sharon D. Gamble
Sharon D. Gamble
Competitive HTC Program Administrator
Multifamily Finance Division staff will place documents related to Requests for Administrative Deficiencies behind this tab in the application .pdf
Real Estate Analysis Division staff will place scanned copies of RFI documents behind this tab in the application .pdf
June 1, 2018

Ms. Jeanna Rolsing, Underwriter
Multifamily Finance Division
Texas Department of Housing and Community Affairs
jeanna.rolsing@tdhca.state.tx.us

Re: 18137 – NHH Dale Carnegie
Applicant Response to Request for Information Issued May 24, 2018

Dear Ms. Rolsing,

Please accept this letter and the attached documentation on behalf of Dale Carnegie SRO, Ltd. as a formal response to your Request for Information Notice dated May 24, 2018.

1. Revised City of Houston funding
   a. In response to a decrease of $1,500,000 in expected funds from the City of Houston, HACDC will increase the Sponsor Loan by that amount. To recover this unanticipated shortfall, the applicant will source an additional $1,000,000 from the Federal Home Loan Bank of San Francisco as well as fundraise an additional $500,000 from yet-to-be-determined charitable sources. Based on the organization’s fundraising history, the applicant fully anticipates sourcing these additional funds. The following application documents have been revised and included here for your review:
      i. Sources & Uses signed by the construction lender and equity provider
      ii. Evidence of commitment of funding by the City of Houston for $8,500,000
      iii. Financing Narrative detailing the City of Houston reduction and increase in charitable sources
      iv. HACDC Loan Terms for the $3,455,704
      v. HACDC Loan Terms for $8,500,000 (City of Houston will grant funds to HACDC, the qualified nonprofit and sole member of the General Partnership, and HACDC will pass through those funds to the partnership, changing the nature of the federal grant into a loan, per IRS published guidance)
      vi. Third Party CPA letter demonstrating an available deposit balance of $4,050,000, which are funds not otherwise committed; this amount is in excess of the proposed HACDC Loan
      vii. Bank letter demonstrating an available deposit balance of $4,094,982, which are funds not otherwise committed; this amount is in excess of the proposed HACDC Loan
2. Rent Schedule – The Rent Schedule is accurate. The operating subsidy provides amounts “not to exceed” in the event that the project has an operating shortfall. The subsidy is only provided in the event of an operating shortfall, and only up to an amount to keep the development positively cash flowing.

3. Staffing Plan – Please see the attached allocated payroll detail and staffing plan.

4. Insurance Quote – Please see the attached insurance quote.

5. Exterior Skin Material, Metal – Please see the attached correspondence from Camden Builders, the General Contractor, regarding cost of metal sheathing. As confirmed by Camden Builders, the amount of metal sheathing is included in the budgeted construction costs in the Development Cost Schedule.

6. Market Study/Homeless Count – Though the need is quite significant and apparent, there is extremely limited information available about the homeless population in Houston and Harris County. The typical definitive source is the Point-in-Time count done by the Coalition for the Homeless, which is discussed starting on P75, and the Point-in-Time report is included in the addenda (P122 of the PDF). Please disregard the erroneous mention of Austin. The data and reporting reflects Houston information.

We appreciate your time and welcome the opportunity to discuss any further questions you may have.

Sincerely,

Joy Horak-Brown
President & CEO
joy@newhopehousing.com

Emily Abeln
VP, Real Estate Development & Corporate Secretary
emily@newhopehousing.com
# Financing Narrative and Summary of Sources and Uses

Describe all sources of funds. Information must be consistent with the information provided throughout the Application (i.e. Financing Narrative, Term Sheets and Development Cost Schedule).

<table>
<thead>
<tr>
<th>Financing Participants</th>
<th>Funding Description</th>
<th>Construction Period</th>
<th>Permanent Period</th>
<th>Lien Position</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Loan/Equity Amount</td>
<td>Interest Rate (%)</td>
<td>Loan/Equity Amount</td>
</tr>
<tr>
<td>Debt</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TDHCA</td>
<td>MF Direct Loan Const. to Perm. (Repayable)</td>
<td>$0</td>
<td>0.00%</td>
<td>$-</td>
</tr>
<tr>
<td>TDHCA</td>
<td>MF Direct Loan Const. Only (Repayable)</td>
<td>$0</td>
<td>0.00%</td>
<td>$-</td>
</tr>
<tr>
<td>TDHCA</td>
<td>Multifamily Direct Loan (Soft Repayable)</td>
<td>$0</td>
<td>0.00%</td>
<td>$-</td>
</tr>
<tr>
<td>TDHCA</td>
<td>Mortgage Revenue Bond</td>
<td>$0</td>
<td>0.00%</td>
<td>$-</td>
</tr>
<tr>
<td>Construction Loan</td>
<td>$13,686,068</td>
<td>5.00%</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Third Party Equity</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>National Equity Fund</td>
<td>HTC</td>
<td>$1,500,000</td>
<td>$1,410,000</td>
<td>$14,100,000</td>
</tr>
<tr>
<td>Grant</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>City of Houston</td>
<td>Local Government Grant</td>
<td>$500</td>
<td>$500</td>
<td></td>
</tr>
<tr>
<td>Deferred Developer Fee</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct Loan Match</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NHH Sponsor Loan - Charitable Funds</td>
<td>Charitable Fundraising</td>
<td>$3,455,704</td>
<td>3</td>
<td>$3,455,704</td>
</tr>
<tr>
<td>City of Houston via Sponsor Loan</td>
<td>HOME Program</td>
<td>$8,500,000</td>
<td>2</td>
<td>$8,500,000</td>
</tr>
<tr>
<td>Total Sources of Funds</td>
<td>$27,052,272</td>
<td>$26,056,204</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Uses of Funds</td>
<td>$26,056,204</td>
<td>$26,056,204</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
INSTRUCTIONS: Describe the sources of funds that will finance Development. The description must include construction, permanent, and bridge loans, and all other types of funds to be used for development. The information must be consistent with all other documentation in this section. Provide sufficient detail to identify the source and explain the use (in terms of the timing and any specific uses) of each type of funds to be contributed. In addition, describe/explain replacement reserves. Finally, describe/explain operating items. The narrative must include rents, operating subsidies, project based assistance, and all other sources of funds for operations. In the foregoing discussion of both development and operating funds, specify the status (dates and deadlines) for applications, approvals and closings, etc., associated with the commitments.

Describe the sources and uses of funds (specify the status (dates and deadlines) for applications, approvals and closings,(159,259),(785,310) etc., associated with the commitments). For Direct Loan or Tax-Exempt Bond Applications that contemplate an FHA-insured loan, this includes the anticipated date that FHA application will be submitted to HUD (if not already submitted).

Please see the attached Finance Narrative detailing charitable sources.

Describe the replacement reserves:

Reserves are calculated at $300 per unit, as required by the City of Houston Housing & Community Development.

Describe the operating items (rents, operating subsidies, project based assistance, etc., and specify the status (dates and deadlines) for applications, approvals and closings, etc., associated with the commitments):

New Hope Housing Dale Carnegie is a proposed Supportive Housing development where the primary resident demographic will be individuals, living on extremely modest incomes, often less than $10K per year. Our objective is to provide high quality housing and supportive services to those displaced by hurricane Harvey, the disabled, veterans, the working poor, youth aging out of foster care, and those exiting homelessness. In serving these vulnerable populations, we aim to keep rents well below their applicable limits, and as often as possible, offer rental subsidies to those without a means to shoulder the full rent. We do this through a combination of Project Based Vouchers (no contract until Pis) and lasting partnerships with social service agencies. All capital sources are expected to close on or before October 31, 2018, and all equity and lender partners have committed to this timeline.

By signing below I acknowledge that the amounts and terms of all anticipated sources of funds as stated above are consistent with the assumptions of my institution as one of the providers of funds.

Signature, Authorized Representative, Construction or Permanent Lender

Ken Overshiner

Printed Name

Jason Aldridge,VP N.E.F.

Telephone: 713.966.2303

Email address: ken.overshiner@bridge.com

6/1/2018

Date

If a revised form is submitted, date of submission: 6/1/2018
Summary of Awards - 2018 Multifamily Request for Proposal (9% Transactions)

RFP Overview

HCDD utilizes federal and local funding to finance affordable multifamily developments within the City of Houston. HCDD periodically issues Requests for Proposals (RFPs) to secure financing proposals to invest in affordable housing developments. On January 2, 2018, HCDD issued an RFP to secure these proposals which closed on March 30, 2018. A total of 34 applications were received. HCDD disqualified six applications which did not meet its threshold review for various reasons.

Scoring Methodology

A total of 28 applications were scored using criteria outlined within the RFP. The scores were determined by an interdepartmental panel and were consolidated. The scores provided by the panel were used to prioritize applications in line with HCDD’s priorities. Applications not selected for an award were rejected primarily due to a determination by the committee it not meeting an HCDD priority or an attempt to limit geographic concentration of affordable housing.

Available Financing

For 2018, HCDD will administer awards of approximately $41 million of HOME, CDBG, CDBG-DR2 and TIRZ funding allocated to finance multifamily affordable housing developments.

Multifamily Priorities

Outlined in the RFP, HCDD identified six initiatives that are stated within its 2018 Multifamily Priorities that include:

- New construction, reconstruction or renovation within Complete Communities
- New construction, reconstruction or renovation within an existing defined Concerted Revitalization Area
- New construction, reconstruction or renovation within High Opportunity areas
- Preserving existing affordable housing stock
- Permanent Supportive Housing
- Transit Oriented Developments

2018 HCDD Awardees (9% Transactions)

HCDD is aware of the timing considerations for applications submitted for 9% Housing Tax Credits (HTCs) with the Texas Department of Housing and Community Affairs and prioritized its first round of awards specifically to 9% HTC transactions. HCDD is still evaluating applications submitted with 4% or other sources and will make its announcements shortly.

Please note the transactions listed below have not been underwritten by HCDD and allocation amount may vary at the time of city council approval. In addition, award type may shift during underwriting depending on availability of funds. Please see below for an initial list of recipients.
In addition, the RFP notified applicants that HCDD will accept potential projects that may revitalize neighborhoods affected by Hurricane Harvey. While HCDD has not received any disaster recovery funding and is still developing its action plan, the department has identified transactions that may potentially serve as replacements housing for disaster impacted areas.

The following project will need further evaluation to ensure it meets HCDD, GLO and HUD requirements for disaster funding. However, it is identified as a potentially eligible transaction when Harvey disaster recovery funding is received or if existing 9% transactions that do not receive 9% HTCs are eliminated from consideration by the TDHCA.

<table>
<thead>
<tr>
<th>Development</th>
<th>Developer(s)</th>
<th>Total Units</th>
<th>Council District</th>
<th>HCDD Priority</th>
<th>Award Amount</th>
<th>Award Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Camponile on Commerce</td>
<td>Kilday Realty</td>
<td>120</td>
<td>H</td>
<td>Complete Communities Second Ward</td>
<td>$3,500,000</td>
<td></td>
</tr>
</tbody>
</table>

Please note HCDD is still undergoing evaluations for its remaining allocations and will provide a full notification of awards shortly.
New Hope Housing Dale Carnegie
FINANCING NARRATIVE

Construction Sources - $27,052,272

Construction sources include:
1. Construction Loan in the amount of $13,686,068, provided by BBVA Compass and funded through construction draws (see included term sheet from BBVA Compass),
2. Tax credit equity in the amount of $1,410,000, from National Equity Fund,
3. City of Houston Grant in the amount of $500 to be funded at closing,
4. HOME Program funds in the amount of $8,500,000, from the City of Houston, which will be structured in a loan to the partnership from the recipient, Houston Area Community Development Corporation*, and paid through construction draws, pari passu with the construction loan, and
5. Charitable Contributions that will be loaned to the partnership. The total amount detailed below will be made available to the partnership at closing:
   a. Sponsor Loan at closing $3,455,704*

   *Sponsor loan will fully fund at closing and be held in a controlled account by the lender, the portion unused during construction will be held as collateral against the construction loan

Permanent Sources - $26,056,204

Permanent sources include:
1. Tax credit equity in the amount of $14,100,000, which will in large part be used to pay off the outstanding construction loan at project completion with approximately 20% funded at closing (see equity LOI for installment benchmarks),
2. City of Houston Grant in the amount of $500 to be funded at closing,
3. HOME Program funds in the amount of $8,500,000, from the City of Houston, which will be structured in a loan to the partnership from the recipient, Houston Area Community Development Corporation**, and paid through construction draws, pari passu with the construction loan, and
4. Charitable Contributions that will be loaned to the partnership. The below sources comprise anticipated historical sources and are not comprised of Federal Funds, alongside the application dates. All charitable receipts are expected prior to the proposed development’s Placement in Service:
   a. Houston Endowment $1,200,000 Expected Application Date: Jun-2018
   b. Federal Home Loan Bank $1,500,000 Expected Application Date: Feb-2019
   c. Brown Foundation $200,000 Expected Application Date: Oct-2018
   d. Source to be determined $555,704

ANTICIPATED CHARITABLE TOTAL $3,455,704
Long Term Feasibility & Historical Fundraising Efforts

Based on historical fundraising and our ongoing fundraising efforts, we fully expect to raise the anticipated sources outlined on the Charitable Contributions source list. New Hope Housing, Inc. ("NHHI") is also prepared to provide an Operating Subsidy, should the project require it. Below is a brief overview of NHHI’s recent fundraising history for operations and services:

<table>
<thead>
<tr>
<th>Fiscal Period</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 01/01/13 - 12/31/13</td>
<td>$917,520</td>
</tr>
<tr>
<td>FY 01/01/14 - 12/31/14</td>
<td>$1,170,963</td>
</tr>
<tr>
<td>FY 01/01/15 - 12/31/15</td>
<td>$1,045,292</td>
</tr>
<tr>
<td>FY 01/01/15 - 12/31/16</td>
<td>$1,076,725</td>
</tr>
<tr>
<td>FY 01/01/15 - 12/31/17</td>
<td>$1,378,165</td>
</tr>
<tr>
<td>AVERAGE ANNUAL OVER 5 YEARS</td>
<td>$1,117,733</td>
</tr>
</tbody>
</table>

Operating Subsidy Agreement

New Hope Housing, Inc. has approved an Operating Subsidy Agreement for New Hope Housing Dale Carnegie in an amount sufficient to provide Dale Carnegie SRO, Ltd. (the “Project Owner”) funding in an amount sufficient to pay for actual operational and maintenance costs in the first year of operations, with the Operational Subsidy increasing up to 4% per year thereafter, but not to exceed:

- $550 for each and every 280 SF unit per month
- $560 for each and every 308 SF unit per month
- $600 for each and every 360 SF unit per month

**Houston Area Community Development Corporation is a CHDO affiliate of New Hope Housing, and is wholly controlled by New Hope Housing, Inc., the project Guarantor.**
May 31, 2018

Ms. Joy Horak-Brown
President and CEO
Houston Area Community Development Corporation
1117 Texas Avenue
Houston, Texas 77002

Re: Commitment of $3,455,704 Loan to Dale Carnegie SRO, Ltd.

Dear Ladies and Gentlemen:

We are pleased to inform you that Houston Area Community Development Corporation ("Lender") has approved a loan in the amount of $3,455,704 (the “Loan”) to Borrower (hereinafter defined), subject to the following described terms and conditions:

**LOAN TERMS SUMMARY**

**Borrower:** Dale Carnegie SRO, Ltd.

**Amount:** $3,455,704

**Term of Loan:** 40 years

**Interest Rate:** 3%

**Payment Terms:** No payments required during the term of the loan. Balloon payment may be required at maturity. Subject to compliance with all applicable affordability standards and other compliance requirements during the term of the loan. The loan is forgivable and comprised of private donations, not Federal funds.

**Personal Liability:** The Loan shall be nonrecourse as to Borrower and its partners.
The acceptance of this commitment letter shall be indicated by Borrower's signature below.

THE PARTIES HERETO EXPRESSLY ACKNOWLEDGE AND AGREE THAT, WITH REGARD TO THE SUBJECT MATTER OF THIS COMMITMENT LETTER AND THE TRANSACTIONS CONTEMPLATED HEREIN (1) THERE ARE NO ORAL AGREEMENTS BETWEEN THE PARTIES HERETO AND (2) THIS COMMITMENT LETTER, INCLUDING THE DEFINED TERMS AND ALL EXHIBITS AND ADDENDA, IF ANY, ATTACHED HERETO, (a) EMBODIES THE FINAL AND COMPLETE AGREEMENT BETWEEN THE PARTIES; (b) SUPERSEDES ALL PRIOR AND CONTEMPORANEOUS NEGOTIATIONS, OFFERS, PROPOSALS, AGREEMENTS, COMMITMENTS, PROMISES, ACTS, CONDUCT, COURSE OF DEALING, REPRESENTATIONS, STATEMENTS, ASSURANCES, AND UNDERSTANDINGS, WHETHER ORAL OR WRITTEN; AND (c) MAY NOT BE VARIED OR CONTRADICTED BY EVIDENCE OF ANY SUCH PRIOR OR CONTEMPORANEOUS MATTER OR BY EVIDENCE OF ANY SUBSEQUENT ORAL AGREEMENT OF THE PARTIES HERETO.

HOUSTON AREA COMMUNITY DEVELOPMENT CORPORATION, a Texas nonprofit corporation

By: [Signature]
Name: Joy Horak-Brown
Title: President & CEO

Accepted:

DALE CARNEGIE SRO, LTD., a Texas limited partnership
By: NHH at Dale Carnegie, LLC, its general partner

By: Houston Area Community Development Corporation, its sole member

By: [Signature]
Name: Joy Horak-Brown
Title: President & CEO
May 31, 2018

Ms. Joy Horak-Brown  
President and CEO  
Houston Area Community Development Corporation  
1117 Texas Avenue  
Houston, Texas 77002

Re: Commitment of $8,500,000 Loan to Dale Carnegie SRO, Ltd.

Dear Ladies and Gentlemen:

We are pleased to inform you that Houston Area Community Development Corporation ("Lender") has approved a loan in an amount not to exceed $8,500,000 (the “Loan”) to Borrower (hereinafter defined), subject to the following described terms and conditions:

**LOAN TERMS SUMMARY**

<table>
<thead>
<tr>
<th>Borrower:</th>
<th>Dale Carnegie SRO, Ltd.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount:</td>
<td>$8,500,000</td>
</tr>
<tr>
<td>Term of Loan:</td>
<td>40 years</td>
</tr>
<tr>
<td>Interest Rate:</td>
<td>0%</td>
</tr>
<tr>
<td>Payment Terms:</td>
<td>No payments required during the term of the loan. Balloon payment will be required at maturity. The Loan is subject to compliance with all applicable affordability standards and other compliance requirements during the term of the loan. The loan is not forgivable.</td>
</tr>
<tr>
<td>Additional Requirements:</td>
<td>Applicable compliance standards of U.S. Dept. of HUD and the City of Houston.</td>
</tr>
<tr>
<td>Personal Liability:</td>
<td>The Loan shall be nonrecourse as to Borrower and its partners.</td>
</tr>
</tbody>
</table>
The acceptance of this commitment letter shall be indicated by Borrower's signature below.

THE PARTIES HERETO EXPRESSLY ACKNOWLEDGE AND AGREE THAT, WITH REGARD TO THE SUBJECT MATTER OF THIS COMMITMENT LETTER AND THE TRANSACTIONS CONTEMPLATED HEREIN (1) THERE ARE NO ORAL AGREEMENTS BETWEEN THE PARTIES HERETO AND (2) THIS COMMITMENT LETTER, INCLUDING THE DEFINED TERMS AND ALL EXHIBITS AND ADDENDA, IF ANY, ATTACHED HERETO, (a) EMBODIES THE FINAL AND COMPLETE AGREEMENT BETWEEN THE PARTIES; (b) SUPERSEDES ALL PRIOR AND CONTEMPORANEOUS NEGOTIATIONS, OFFERS, PROPOSALS, AGREEMENTS, COMMITMENTS, PROMISES, ACTS, CONDUCT, COURSE OF DEALING, REPRESENTATIONS, STATEMENTS, ASSURANCES, AND UNDERSTANDINGS, WHETHER ORAL OR WRITTEN; AND (c) MAY NOT BE VARIED OR CONTRADICTED BY EVIDENCE OF ANY SUCH PRIOR OR CONTEMPORANEOUS MATTER OR BY EVIDENCE OF ANY SUBSEQUENT ORAL AGREEMENT OF THE PARTIES HERETO.

HOUSTON AREA COMMUNITY DEVELOPMENT CORPORATION, a Texas nonprofit corporation

By:  
Name: Joy Horak-Brown  
Title: President & CEO

Accepted:

DALE CARNEGIE SRO, LTD., a Texas limited partnership

By: NHH at Dale Carnegie, LLC, its general partner

By: Houston Area Community Development Corporation, its sole member

By:  
Name: Joy Horak-Brown  
Title: President & CEO
INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

New Hope Housing, Inc. and the
Texas Department of Housing and Community Affairs (the "Agency"): RE:

2018 Application for 9% tax credits
Proposed Name of Project: New Hope Housing Dale Carnegie
Name of Proposed Project Owner: Dale Carnegie SRO, Ltd.

We have performed the procedures enumerated below, which were agreed to by New Hope Housing, Inc. (the "Proposed Member"), and specified by the Texas Department of Housing and Community Affairs (the "Agency") (together the "Specified Users"), solely to assist you with respect to verifying that the Proposed Member has the capacity to provide capital from funds that are not otherwise committed or pledged, as of February 28, 2018, with respect to the 2018 Application for 9% low-income housing tax credits of New Hope Housing Dale Carnegie (the "Proposed Development"), to be submitted to the Agency. The sole member of NHH at Dale Carnegie, LLC is Houston Area Community Development Corporation, which is controlled by the Proposed Member. NHH at Dale Carnegie, LLC is a to-be-formed entity which will serve as the general partner of Dale Carnegie SRO, Ltd. (the "Development Owner"), which is proposed to be the owner of the Proposed Development. The Proposed Member's management is responsible for determining that the Proposed Member has the capacity to provide capital from funds that are not otherwise committed or pledged, as of February 28, 2018, with respect to the 2018 Application for 9% low-income housing tax credits of the Proposed Development. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

- We read the 2018 Housing Tax Credit Program Qualified Allocation Plan and Rules for the 2018 Housing Tax Credit Program Application, and determined that the Development Owner is required to submit a letter verifying the capacity of the Proposed Member to provide capital from funds that are not otherwise committed or pledged;
• We obtained the Summary of Sources and Uses of Funds (the "Sources & Uses"). The Sources & Uses indicate the intention of the Proposed Member to provide owner contributions to the Development Owner for the Proposed Development in the amount of $4,050,000 (the "Owner Cash Equity");

• We obtained a screen shot of the bank balance (the "Statement") from BBVA Compass for an investment account in the name of the Proposed Member as of February 28, 2018. The balance as of February 28, 2018 (the "Deposit Balance") was $4,092,982;

• We compared the Deposit Balance to the amount of the Owner Cash Equity. The Deposit Balance as of February 28, 2018 was greater than the amount of the Owner Cash Equity;

• We obtained a letter from BBVA Compass (the "BBVA Letter") regarding the potential uses of funds included on the Statement. The BBVA Letter confirmed that the Development Owner has the capacity to provide the Deposit Balance in development funding from funds that are not otherwise committed or pledged;

• We obtained an organization chart (the "Organization Chart") for the Development Owner, which identifies the partners of the Development owner, and the composition of the board of directors of the Proposed Member. From the organization chart, we determined that Karen Gwin is the Treasurer and CFO of the Proposed Member; and

• We obtained representations from Karen Gwin, in her capacity as the Treasurer and CFO of the Proposed Member, regarding the Proposed Member’s intention to provide capital to fund the Proposed Development. Based on those representations we determined that the Proposed Member intends to provide $4,050,000 of Owner Cash Equity to the Development Owner, to be used for the construction and development of the Proposed Development.

Based on the Deposit Balance in the Statement, the Bank Letter, the Organization Chart, and representations from the Proposed Member as to its intended actions, we determined that, as of February 28, 2018, the Proposed Member has the capacity to provide the anticipated Owner Cash Equity of $4,050,000 to the Development Owner for the Proposed Development.

In making the above determinations we relied on the representations made by the Proposed Member as to its intended course of action for the Proposed Development and the sources of funds therein. The final determination of the actual amount of Owner Cash Equity to be provided by the Proposed Member to the Development Owner cannot be made until the Proposed Development has been completed and the sources of funds can be properly evaluated, during the final cost certification process and the application for a final award of IRS Forms 8609.
We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on whether the Proposed Member has the capacity to provide capital from funds that are not otherwise committed or pledged, as of February 28, 2018, related to the 2018 Application for 9% low-income housing tax credits of the Proposed Development. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of by the Proposed Member and the Agency and is not intended to be and should not be used by anyone other than those specified parties.

Novogradac & Company LLP

Austin, Texas
February 28, 2018

Contact person for questions about this report: Susan G. Wilson
Phone# (512) 349-3232
Facsimile# (512) 340-0421
E-Mail: susan.wilson@novoco.com
New Hope Housing, Inc.
c/o Joy Horak-Brown
President and CEO
1117 Texas Avenue
Houston, TX 77002

Re: Availability of New Hope Housing, Inc. Funds

Dear Joy,

The purpose of this letter is to confirm the availability of funding pursuant to Section 10.204(7)(C) of the 2018 Texas Department of Housing and Community Affairs (“TDHCA”) Uniform Multifamily Rules (the “Rules”). Please accept this letter as confirmation that New Hope Housing, Inc. has the capacity to provide $4,092,981.66 in development funding from funds that are not otherwise committed or pledged.

Please contact me at 713-966-2303 with any questions.

Sincerely,

[Signature]

Ken Overshiner, Senior Vice President,
Community Development Capital, Compass Bank
# New Hope Housing Dale Carnegie
## Staffing Plan and Allocated Payroll

<table>
<thead>
<tr>
<th>Administrative Payroll</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Manager</td>
<td>$45,000.00</td>
</tr>
<tr>
<td>Office Assistant</td>
<td>$31,200.00</td>
</tr>
<tr>
<td>Full Time Receptionist</td>
<td>$24,960.00</td>
</tr>
<tr>
<td>Remaining Receptionists-to Fill 24/7 Coverage</td>
<td>$42,513.00</td>
</tr>
<tr>
<td>Admin OT/Holiday</td>
<td>$6,000.00</td>
</tr>
<tr>
<td><strong>Subtotal Administrative Payroll</strong></td>
<td><strong>$149,673.00</strong></td>
</tr>
</tbody>
</table>

Allocated Asset Management Payroll & Related Expenses $49,200.00  
Allocated Compliance Payroll & Related Expenses $26,127.00  
**Total Allocated Payroll** $75,327.00

**Total Administrative Payroll** $225,000.00

<table>
<thead>
<tr>
<th>Maintenance Payroll</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Building Maintenance Technician</td>
<td>$40,560.00</td>
</tr>
<tr>
<td>Allocated Maintenance</td>
<td>$44,440.00</td>
</tr>
<tr>
<td><strong>Total Maintenance</strong></td>
<td><strong>$85,000.00</strong></td>
</tr>
</tbody>
</table>

**Total Payroll** $310,000.00

**Total Payroll Taxes & Fees** $14,000.00

**Total Benefits (includes Professional Development, Insurance & Bonuses)** $22,500.00

**TOTAL PAYROLL** $346,500.00

- Community Manager – Full Time
- Office Assistant – Full Time
- Receptionist – Full Time – Evening Shift
- Other Receptionists – Part Time - Fill Shifts to Provide 24/7/365 Front Desk
- Direct Maintenance – One Make Ready Employee per Property
- Allocated Maintenance – Non-direct maintenance staff is allocated on pro rata basis of total project units to total portfolio units.
- Allocated Compliance – Compliance Staff is allocated on pro rata basis of total project units to total portfolio units
- Allocated Asset Management – Asset Management Staff is allocated on Pro rata basis of total project units to total portfolio units
Insurance Quotation For: NHH Dale Carnegie
For New Hope Housing, Inc.

Building, Business Income, Furniture, Fixtures & Equipment:

$16,206,000

General Liability – All operations

$1,000,000 per Occurrence/$2,000,000 Aggregate

Umbrella Liability

$25,000,000

Total Premium: $85,007 per year

Bill Baker
Moon Shepherd Baker Insurance Agency

5/29/18
Good Morning Emily,

The current budget is carrying $34,000.00 for Exterior metal panel / siding. This price includes the necessary waterproofing associated with this type of material.

Mike Eilertsen
Camden
Senior Project Manager | Construction
11 Greenway Plaza, Suite 2400
Houston, TX 77046
T 713-354-2638
camdenliving.com | NYSE: CPT

From: Emily Abeln <Emily@newhopehousing.com>
Date: May 24, 2018 at 1:00:47 PM CDT
To: 'Bobby Rivers' <BRivers@camdenliving.com>, 'Mike Eilertsen' <MEilertsen@camdenliving.com>
Subject: NHH Dale Carnegie - Underwriting RFI

Dear Bobby and Mike-

I’ve received my first underwriting RFI from the state tax credit allocating agency. Can you kindly confirm for me the budgeted cost for the metal siding at Dale Carnegie?

Warm regards,

EA

Emily Abeln
VP, Real Estate Development
Corporate Secretary
New Hope Housing, Inc.
Houston Area CDC
1117 Texas Avenue
Houston, Texas 77002
713.220.9708 direct
713.569.4833 mobile
www.newhopehousing.com

Building Communities, Restoring Lives™
Multifamily Finance Division staff will place scanned copies of appeal documents behind this tab in the application .pdf
Multifamily Finance Division staff will place scanned copies of public comment received behind this tab in the application.pdf
Multifamily Finance Division staff will place scanned copies of Commitment or Determination Notice documents behind this tab in the application .pdf
Multifamily Finance Division staff will place scanned copies of Direct Loan Program Award Letters behind this tab in the application .pdf
Multifamily Finance Division staff will place scanned copies of Carryover Allocation Agreement documents behind this tab in the application .pdf