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.
2018 Multifamily Uniform Application Certification
Mailing Address: P.O. Box 13941, Austin, TX 78711-3941
Physical Address: 221 East 11th Street, Austin, TX 78701

Development Name: Pines at Allen Street

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.

Kountze Pines at Allen Street, LP

Applicant Entity Name

By: Donald R. Ball
Signature of Authorized Representative

Printed Name
Donald R. Ball
Executive Director of Sole Member of GP
Title

Date
2-14-18

Sworn to and subscribed before me on the 14th day of February, 2018 by Donald R. Ball
(Personalized Seal)

Kymber-Lee Raye Matthews
Notary Public/SIGNATURE
State of Texas

Notary Public, State of
Orange

County of
Oct 11, 2021

My Commission Expires:
2-14-18

Date
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

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, the 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 that the Application be submitted at least 75 days in advance. It is noted 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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<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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<tr>
<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 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):

- N/A §10.101(a)(2) - Undesirable Site Features
- N/A §10.101(a)(3) - Undesirable Neighborhood Characteristics
- N/A §10.202(1)(M) - Termination of Relationship in an Affordable Housing Transaction
- N/A §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.

_____ 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.

_____ 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)*

- **X** 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)*

- **X** 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.
THE STATE OF Texas

COUNTY OF Orange

Before me, a notary public, on this day personally appeared
Donald R. Ball, 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 19th day of February, 2018

[Notary Public Signature]
§10.204(2) 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.
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 of Authorized Representative

Christopher A. Akbari
   Printed Name
   Member of ITEX Partners, LLC; Member of The ITEX Group, LLC;
   Trustee of The Akbari Family Dynasty Trust, FBO Christopher Ali Akbari

Date
   2/14/18

THE STATE OF Texas

COUNTY OF Harris

Before me, a notary public, on this day personally appeared
Christopher A. Akbari, 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 14 day of February, 2018

(Seal)

Melissa Giacca
Notary Public
State of Texas
My Comm. Exp. 01/26/19

Notary Public Signature
By: Donald R. Ball

Signature of Authorized Representative

Donald R. Ball

Printed Name

Executive Director of Sole Member of General Partner

Title

Date

THE STATE OF Texas

COUNTY OF Orange

Before me, a notary public, on this day personally appeared Donald R. Ball, 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)

Kymber-Lee Raye Matthews
Notary Public
STATE OF TEXAS
ID# 131312408
My Comm. Exp. Oct. 11, 2021

Notary Public Signature
2018 Applicant Eligibility Certification

By: Billy Joe Smith

Signature of Authorized Representative

Billy Joe Smith

Printed Name

President of Sole Member of General Partner

Title

Date

2-14-18

THE STATE OF Texas §

COUNTY OF Orange §

Before me, a notary public, on this day personally appeared Billy Joe Smith, 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 21 day of February, 2018

KIMBERLIE RAY MATTHEWS
Notary Public
STATE OF TEXAS
ID#13131240
My Comm. Exp. Oct. 11, 2021

Notary Public Signature
2018 Applicant Eligibility Certification

By: 
Signature of Authorized Representative

Karen Borel
Printed Name

Vice President of Sole Member of General Partner
Title

Date

THE STATE OF Texas
COUNTY OF Galveston

Before me, a notary public, on this day personally appeared Karen Borel , 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
2018 Applicant Eligibility Certification

By: Betty Ball

Signature of Authorized Representative

Betty Ball

Printed Name

Secretary of Sole Member of General Partner

Title

2-14-18

Date

THE STATE OF Texas

COUNTY OF Orange

Before me, a notary public, on this day personally appeared Betty Ball, 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)

KIMBER-LEE RAYE MATTHEWS
Notary Public
STATE OF TEXAS
ID# 131312408
My Comm. Exp. Oct. 11, 2021

Notary Public Signature
**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>Phone</th>
<th>Office</th>
<th>Extension</th>
</tr>
</thead>
<tbody>
<tr>
<td>Miranda Sprague</td>
<td>(409) 853-3681</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Email: <a href="mailto:apps@itexgrp.com">apps@itexgrp.com</a></td>
<td>(409) 720-7803</td>
<td>Mobile</td>
<td></td>
</tr>
<tr>
<td>Mailing Address: 3735 Honeywood Court</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Street Port Arthur</td>
<td>TX 77642</td>
<td>State Zip</td>
<td></td>
</tr>
<tr>
<td>City</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### 2. Second Contact

<table>
<thead>
<tr>
<th>Name</th>
<th>Phone</th>
<th>Office</th>
<th>Extension</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tamea Dula</td>
<td>(713) 653-7322</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Email: <a href="mailto:tdula@coatsrose.com">tdula@coatsrose.com</a></td>
<td></td>
<td>Mobile</td>
<td></td>
</tr>
</tbody>
</table>

### 3. Consultant Contact (if applicable)

<table>
<thead>
<tr>
<th>Name</th>
<th>Phone</th>
<th>Office</th>
<th>Extension</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audrey Martin</td>
<td>(512) 658-6386</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Email: <a href="mailto:audrey@purplemartinre.com">audrey@purplemartinre.com</a></td>
<td>(512) 658-6386</td>
<td>Mobile</td>
<td></td>
</tr>
<tr>
<td>Mailing Address: 713 Sue Barnett Drive</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Street Houston</td>
<td>TX 77018</td>
<td>State Zip</td>
<td></td>
</tr>
<tr>
<td>City</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Criteria Promoting Development of High Quality Housing</td>
<td>QAP Reference</td>
<td>Points Selected</td>
<td></td>
</tr>
<tr>
<td>-------------------------------------------------------</td>
<td>---------------</td>
<td>-----------------</td>
<td></td>
</tr>
<tr>
<td>Unit Sizes</td>
<td>§11.9(b)(1)(A)</td>
<td>8</td>
<td></td>
</tr>
<tr>
<td>Unit and Development Features</td>
<td>§11.9(b)(1)(B)</td>
<td>7</td>
<td></td>
</tr>
<tr>
<td>Sponsor Characteristics</td>
<td>§11.9(b)(2)</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td><strong>High Quality Housing Total</strong></td>
<td></td>
<td><strong>17</strong></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Criteria to Serve and Support Texans Most In Need</th>
<th>QAP Reference</th>
<th>Points Selected</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income Levels of Tenants</td>
<td>§11.9(c)(1)</td>
<td>16</td>
</tr>
<tr>
<td>Rent Levels of Tenants</td>
<td>§11.9(c)(2)</td>
<td>11</td>
</tr>
<tr>
<td>Tenant Services</td>
<td>§11.9(c)(3)</td>
<td>10</td>
</tr>
<tr>
<td>Opportunity Index</td>
<td>§11.9(c)(4)</td>
<td>7</td>
</tr>
<tr>
<td>Underserved Area</td>
<td>§11.9(c)(5)</td>
<td>3</td>
</tr>
<tr>
<td>Tenant Populations with Special Needs</td>
<td>§11.9(c)(6)</td>
<td>2</td>
</tr>
<tr>
<td>Proximity to the Urban Core</td>
<td>§11.9(c)(7)</td>
<td>0</td>
</tr>
<tr>
<td>Readiness to Proceed in Disaster Impacted Counties</td>
<td>§11.9(c)(8)</td>
<td></td>
</tr>
<tr>
<td><strong>Serve and Support Texans Most in Need Total</strong></td>
<td></td>
<td><strong>49</strong></td>
</tr>
</tbody>
</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>Local Government Support</td>
<td>§11.9(d)(1)</td>
<td></td>
</tr>
<tr>
<td>Commitment of Development Funding by Local Political Subdivision</td>
<td>§11.9(d)(2)</td>
<td>1</td>
</tr>
<tr>
<td>Declared Disaster Area</td>
<td>§11.9(d)(3)</td>
<td>10</td>
</tr>
<tr>
<td>Quantifiable Community Participation</td>
<td>§11.9(d)(4)</td>
<td></td>
</tr>
<tr>
<td>Community Support from State Representative</td>
<td>§11.9(d)(5)</td>
<td></td>
</tr>
<tr>
<td>Input from Community Organizations</td>
<td>§11.9(d)(6)</td>
<td></td>
</tr>
<tr>
<td>Concerted Revitalization Plan</td>
<td>§11.9(d)(7)</td>
<td></td>
</tr>
<tr>
<td><strong>Community Support and Engagement Total</strong></td>
<td></td>
<td><strong>11</strong></td>
</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>Financial Feasibility</td>
<td>§11.9(e)(1)</td>
<td>18</td>
</tr>
<tr>
<td>Cost of Development per Square Foot</td>
<td>§11.9(e)(2)</td>
<td>12</td>
</tr>
<tr>
<td>Pre-application Participation</td>
<td>§11.9(e)(3)</td>
<td>0</td>
</tr>
<tr>
<td>Leveraging of Private, State, and Federal Resources</td>
<td>§11.9(e)(4)</td>
<td>3</td>
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<tr>
<td>Extended Affordability</td>
<td>§11.9(e)(5)</td>
<td>2</td>
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<tr>
<td>Historic Preservation</td>
<td>§11.9(e)(6)</td>
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</tr>
<tr>
<td>Right of First Refusal</td>
<td>§11.9(e)(7)</td>
<td>1</td>
</tr>
<tr>
<td>Funding Request Amount</td>
<td>§11.9(e)(8)</td>
<td>0</td>
</tr>
<tr>
<td><strong>Efficient Use of Limited Resources and Applicant Accountability Total</strong></td>
<td></td>
<td><strong>36</strong></td>
</tr>
</tbody>
</table>

| Point Deductions                                                                                           | §11.9(f)     |

| **Total Application Self Score**                                                                         | 113          |
Site Information Form Part I

1. Development Address (All Programs)

Northeast Quadrant of Allen St. and Tubb St.  
Kountze

<table>
<thead>
<tr>
<th>Address</th>
<th>City</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>Hardin</td>
</tr>
<tr>
<td>77625</td>
<td>Rural</td>
</tr>
<tr>
<td>Region</td>
<td>County</td>
</tr>
<tr>
<td>Zip</td>
<td>Rural/Urban</td>
</tr>
</tbody>
</table>

2. Census Tract Information (All Programs)

48199030400  
No  
Median Household Income: 42105.00  
Quartile: 2q  
Poverty Rate: 17.7

<table>
<thead>
<tr>
<th>Census Tract Number (11 digits)</th>
<th>QCT?</th>
<th>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.</th>
</tr>
</thead>
</table>

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))

4. Zoning [$10.204(11)] and Flood Zone Designation [$10.101(a)(1)] (All Programs)

Development Site is appropriately zoned? Yes  
Zoning Designation: No Zoning in Kountze

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


<table>
<thead>
<tr>
<th>School Name</th>
<th>Grades X through X</th>
<th>Met Standard Rating?</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2015</td>
<td>2016</td>
</tr>
<tr>
<td>Kountze Elementary School</td>
<td>PK</td>
<td>3</td>
</tr>
<tr>
<td>Kountze Intermediate School</td>
<td>4</td>
<td>through</td>
</tr>
<tr>
<td>Kountze Middle School</td>
<td>7</td>
<td>through</td>
</tr>
<tr>
<td>Kountze High School</td>
<td>9</td>
<td>through</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: 

[Signature]
Supporting Documentation for the Site Information Form Part I

- Street Map with Site Drawn and Identified
- Census Tract Map with Development Site Identified [https://factfinder.census.gov/taces/nav/jst/pages/searchresults.xhtml?refresh=t]
- Twice the State Average of Units Per Capita Resolution
- One Mile Three Year Resolution or evidence of other exception
- Housing Tax Credit Units per Total Household Resolution
- Evidence of Zoning and/or Evidence of Re-Zoning Process
- Evidence of Flood Zone Designation
- Educational Quality (all Applications)
  - School Attendance Zone Map with Development labeled;
  - 2017 TEA accountability information for each school; and
  - 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.

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

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.
ORDINANCE NO. #18-02

AN ORDINANCE PROVIDING FOR THE VOLUNTARY ANNEXATION OF THE HEREAFTER DESCRIBED TERRITORY INTO THE CITY OF KOUNTZE, TEXAS, FOR ALL MUNICIPAL PURPOSES; APPROVING PROVIDING MUNICIPAL SERVICES FOR SUCH TERRITORY; PROVIDING THAT THIS ORDINANCE SHALL BE CUMULATIVE OF ALL ORDINANCES; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Kountze is a type a general law municipality; and

WHEREAS, a petition for voluntary annexation has been duly signed and acknowledged by each person or entity having an interest in the territory proposes for annexation, and such petition which is attached hereto as Exhibit A has been accepted by the City; and

WHEREAS, said tract of land is contiguous to the City, and is within the exclusive extraterritorial jurisdiction of the City; and

WHEREAS, the City has the ability to provide municipal services for the territory; and

WHEREAS, the City has published a notice of hearing on said annexation and a public hearing was held before the City Council on January 18, 2018, in accordance with Chapter 43.028, Texas Government Code; and

WHEREAS, after such public hearing the City Council granted the petition and desires to annex said territory into the City under the authority of Section 43.028 of the Local Government Code; and

WHEREAS, all requirements of law have been met to require this annexation in compliance with Chapter 43 of the Texas Government Code.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF KOUNTZE, TEXAS:

Section 1.

That the territory hereinafter described is hereby annexed into the City for all municipal purposes, and that the boundary limits of the City are hereby extended to include said territory within the City limits, and said land and the future inhabitants thereof shall hereafter be entitled to all rights and privileges of other citizens of the City and shall be bound by the acts and ordinances of said City:

Property (including any improvements):

Being a tract or parcel containing 12.62 acres of land out of and a part of the John A. Christie Survey, Abstract Number 544, Hardin County, Texas, and also being out of and a part of a 497.27 acre tract recorded in Clerk File Number 2015-52296, Official Public Records of Hardin County, Texas, said 12.62 acre tract being more particularly described by metes and bounds: (See Attached)

Section 2.

The official map and boundaries of the City, previously adopted, are amended to include the above described territory as a party of the City of Kountze, Texas. The City Secretary is directed and
authorized to perform or cause to be performed all acts necessary to correct the official map of the City to add the territory annexed as required by law.

Section 3.

That the City has made the finding that it can provide municipal services to the annexed territory.

Section 4.

That the City Secretary is hereby directed to file with the County Clerk and other appropriate officials and agencies, as required by state and federal law and city annexation procedures, a certified copy of this ordinance.

Section 5.

This ordinance shall be cumulative of all provisions of ordinances of the City of Kountze, Texas, except where the provisions of this ordinance are in direct conflict with the provisions of such ordinances, in which event the conflicting provisions of such ordinances are hereby repealed.

Section 6.

Should any section or part of this ordinance be held unconstitutional, illegal or invalid, or the application thereof, the unconstitutionality, illegality, invalidity or ineffectiveness of such section or part shall in no way affect, impair or invalidate the remaining portion or portions thereof, but as to such remaining portions, the same shall be and remain in full force and effect.

Section 7.

Should this ordinance for any reason be ineffective as to any part of the area hereby annexed to the City of Bridgeport, such ineffectiveness of this ordinance as to any such part or parts of any such area shall not affect the effectiveness of this ordinance as to the remainder of such area. The City Council hereby declares it to be its purpose to annex to the City of Kountze every part of the area described in Section 1 of this ordinance, regardless of whether any part of such described area is hereby not effectively annexed to the City. Provided, further, that if there is included within the general description of territory set out in Section 1 of this ordinance to be hereby annexed to the City of Kountze any lands or area which are presently part of and included within the limits of the City of Kountze, or which are presently part of and included within the limits of any other City, Town or Village, or which are not within the City of Bridgeport’s jurisdiction to annex, the same is hereby excluded and excepted from the territory to be annexed hereby as fully as if such excluded and excepted area were expressly described herein.

Section 8.

This ordinance shall be in full force and effect from and after its passage, and its so ordained.
DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF KOUNTZE, TEXAS, BY A VOTE OF 4 TO 0, ON THIS THE 16TH DAY OF JANUARY, 2018.

APPROVED:

[Signature]
Mayor

ATTEST:

[Signature]
City Secretary
State of Texas
County of Hardin

This instrument was acknowledged before me on 1/18/18 by Kim Haynes and Fred E. Williams.

[Check box] Personally Known
[ ] Produced Identification

Type and # of ID _______________________

Given under my hand and seal of office this 18 day of January, 2018.

Sallie Gordon
Notary Public, State of Texas
METES AND BOUNDS DESCRIPTION
12.62 ACRE TRACT
JOHN A. CHRISTIE SURVEY
ABSTRACT NUMBER 544
HARDIN COUNTY, TEXAS

Being a tract or parcel containing 12.62 acres of land out of and a part of the John A. Christie
Survey, Abstract Number 544, Hardin County, Texas, and also being out of and a part of a
497.27 acre tract recorded in Clerk File Number 2015-52296, Official Public Records of Hardin
County, Texas, said 12.62 acre tract being more particularly described by metes and bounds
as follows:

BEGINNING at a concrete monument found in the most Westerly North line of the H. T. & B.
R.R. Survey, Abstract Number 289 and also being the South line of said John A. Christie Survey
and being the Southeast corner of a 7.00 acre tract recorded in Volume 529, Page 309, Deed
Records of Hardin County, Texas and being in the North right-of-way line of a public road
known as Allen Street, said concrete monument having a State Plane Coordinate value of
Y=10,158,261.68 and X=4,187,994.01;

THENCE, North 03 deg. 18 min. 30 sec. West, along the East line of said 7.00 acre tract for a
distance of 441.05 feet to a concrete monument found for corner;

THENCE, North 44 deg. 27 min. 58 sec. West, along the East line of said 7.00 acre tract for a
distance of 332.42 feet to a concrete monument found for corner;

THENCE, North 45 deg. 27 min. 11 sec. East, along the residue of said 497.27 acre tract for a
distance of 154.86 feet to a ½-inch iron rod capped RPLS 2512 set for corner;

THENCE, North 86 deg. 22 min. 05 sec. East, along the residue of said 497.27 acre tract for a
distance of 738.14 feet to a ½-inch iron rod capped RPLS 2512 set for corner;

THENCE, South 03 deg. 17 min. 34 sec. East, along the residue of said 497.27 acre tract for a
distance of 797.75 feet to a ½-inch iron rod capped RPLS 2512 set in the North right-of-way
line of said Allen Street;

THENCE, South 86 deg. 42 min. 26 sec. West, along the North right-of-way line of said Allen
Street for a distance of 635.59 feet to the POINT OF BEGINNING and containing 12.62 acres of
land.

Note: Bearings, distances and coordinates referenced to the Texas State Plane Coordinate
System, Central Zone (4203), NAD 83. Grid scale factor: 0.999909022.

18-001
01/02/18

[Signature]
BEVERLY WILLIFORD
MY COMMISSION EXPIRES
September 11, 2018
PETITION

TO THE CITY OF KOUNTZE

FOR ANNEXATION OF PROPERTY

I, David Smallwood, president of S&M Affiliated Incorporated, do hereby petition the City of Kountze, Pursuant to Local Government Code 43.0671, to annex my parcel of land, 12.62 acres located on Allen Street in Kountze.

Please review the notorized, attached, drawing with metes and bounds of said property, per statute.

Thank you,

David Smallwood
President
S&M Affiliated, Inc.
A. "Property" means that real property situated in Hardin County, Texas, at 001 Allen St. and 002 Allen St., and that is legally described on the attached Exhibit N/A or as follows:

- Being a 7.13 acre tract out of AB 544 J A Christie; heretofore known as "Tract A" (001 Allen St.)
- Being a 5.48 acre tract out of AB 544 J A Christie; heretofore known as "Tract B" (002 Allen St.)
Census Tract Map for Kountze Pines at Allen Street, LP

Pines at Allen Street

Northeast Quadrant of Allen Street and Tubb Street, Kountze, Texas 77625,

Hardin County Census Tract: 48199030400
The 2018 Qualified Census Tracts (QCTs) and Difficult Development Areas (DDAs) are effective January 1, 2018. The 2018 designations use data from the 2019 Decennial census and three releases of 5-year tabulations from the American Community Survey (ACS): 2009-2013, 2010-2014, and 2011-2015. The designation methodology is explained in the federal Register notice published September 11, 2017.
January 24, 2018

Kountze Pines at Allen Street, LP
Attn: Donald R. Ball
3735 Honeywood Court
Port Arthur, Texas 77642

Re: Zoning for Ap 18283, Pines at Allen Street at northeast quadrant of Allen Street and Tubb Street, Kountze, Texas

Dear Mr. Ball,

As per our conversation, the City of Kountze does not have zoning requirements that must be met for your proposed development of the 80 unit development known as Pines at Allen Street. The development, however, must meet all city building code requirements and pass all inspections upon final approval.

Sincerely,

Kim Haynes
City Secretary
### Underlying Aquifer(s)

<table>
<thead>
<tr>
<th>Aquifer Name</th>
<th>Aquifer Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gulf Coast Aquifer</td>
<td>&quot;The Gulf Coast Aquifer is a major aquifer paralleling the Gulf of Mexico coastline from the Louisiana border to the Mexican border. It consists of several aquifers, including the Jasper, Evangeline, and Chicot aquifers, which are composed of discontinuous sand, silt, clay, and gravel beds. The maximum total sand thickness for the Gulf Coast Aquifer ranges from 700 feet in the south to 1,300 feet in the north. Freshwater saturated thickness averages about 1,000 feet. Water quality varies with depth and locality: it is generally good in the central and northeastern parts of the aquifer where it contains less than 500 milligrams per liter of total dissolved solids but declines to the south where it typically contains 1,000 to more than 10,000 milligrams per liter of total dissolved solids and where the productivity of the aquifer decreases. High levels of radionuclides, believed mainly to be naturally occurring, are found in some wells in Harris County in the outcrop and in South Texas. The aquifer is used for municipal, industrial, and irrigation purposes. In Harris, Galveston, Fort Bend, Jasper, and Wharton counties, water level declines of up to 350 feet have led to land subsidence. The planning groups recommended several water management strategies that use the Gulf Coast Aquifer, including drilling more wells, pumping more water from existing wells, temporary overdrafting, constructing new or expanded treatment plants, desalinizing brackish groundwater, developing conjunctive use projects, and reallocating supplies.&quot;</td>
</tr>
</tbody>
</table>

No minor aquifers underlie the subject property.


### Flood Zone(s)

<table>
<thead>
<tr>
<th>Zone Designation</th>
<th>Zone Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zone C (X-Unshaded)</td>
<td>Minimal risk areas outside the 1-percent and .2-percent-annual-chance floodplains. No BFEs or base flood depths are shown within these zones. (Zone X (unshaded) is used on new and revised maps in place of Zone C.)</td>
</tr>
</tbody>
</table>

This data was obtained from the most current FEMA information available on line. Actual flood elevation should be obtained by a qualified survey or other professional. During a flood event, the potential exists for the migration of hazardous substances and / or petroleum products to and / or from the subject property.

**Source:** Flood Emergency Management Agency (FEMA) Hardin County, Texas Flood Insurance Rate Map (FIRM).
**KOUNTZE ISD**

<table>
<thead>
<tr>
<th>District/Campus Name</th>
<th>District/ Campus Number</th>
<th>2017 Accountability Rating</th>
<th>Note</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>Read/ ELA</th>
<th>Math</th>
<th>Science</th>
<th>Social Studies</th>
<th>Student Progress</th>
<th>Gap</th>
<th>Post Secondary</th>
<th>Secondary</th>
<th>Num Met of Num Eval</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>KOUNTZE ISD</strong></td>
<td>100903</td>
<td>Met Standard</td>
<td></td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>KOUNTZE H S</strong></td>
<td>002</td>
<td>Met Standard</td>
<td></td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>•</td>
<td></td>
<td></td>
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<td></td>
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<td></td>
<td>1 of 7</td>
</tr>
<tr>
<td><strong>KOUNTZE MIDDLE</strong></td>
<td>041</td>
<td>Met Standard</td>
<td></td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>0 of 7</td>
</tr>
<tr>
<td><strong>KOUNTZE INT</strong></td>
<td>042</td>
<td>Met Standard</td>
<td></td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>0 of 6</td>
</tr>
<tr>
<td><strong>KOUNTZE EL</strong></td>
<td>101</td>
<td>Met Standard</td>
<td></td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1 of 5</td>
</tr>
</tbody>
</table>

Kountze ISD has only one school serving each grade level
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

<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>121</td>
<td>158</td>
<td>77</td>
</tr>
<tr>
<td>2 - Student Progress</td>
<td>146</td>
<td>200</td>
<td>73</td>
</tr>
<tr>
<td>3 - Closing Performance Gaps</td>
<td>152</td>
<td>400</td>
<td>38</td>
</tr>
<tr>
<td>4 - Postsecondary Readiness</td>
<td>32.0</td>
<td>N/A</td>
<td>32</td>
</tr>
</tbody>
</table>

System Safeguards

Number and Percentage of Indicators Met

<table>
<thead>
<tr>
<th>Performance Rates</th>
<th>6 out of 6 = 100%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participation Rates</td>
<td>6 out of 6 = 100%</td>
</tr>
<tr>
<td>Graduation Rates</td>
<td>N/A</td>
</tr>
</tbody>
</table>

Total 12 out of 12 = 100%

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

TEA | Academics | Performance Reporting Page 1 August 15, 2017
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

<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>486</td>
<td>703</td>
<td>69</td>
</tr>
<tr>
<td>2 - Student Progress</td>
<td>336</td>
<td>1,000</td>
<td>34</td>
</tr>
<tr>
<td>3 - Closing Performance Gaps</td>
<td>336</td>
<td>1,200</td>
<td>28</td>
</tr>
<tr>
<td>4 - Postsecondary Readiness</td>
<td>18.3</td>
<td>N/A</td>
<td></td>
</tr>
</tbody>
</table>

System Safeguards

Number and Percentage of Indicators Met

<table>
<thead>
<tr>
<th>Category</th>
<th>Number Met</th>
<th>Percentage Met</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance Rates</td>
<td>9/14</td>
<td>64%</td>
</tr>
<tr>
<td>Participation Rates</td>
<td>8/8</td>
<td>100%</td>
</tr>
<tr>
<td>Graduation Rates</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Total</td>
<td>17/22</td>
<td>77%</td>
</tr>
</tbody>
</table>

For further information about this report, please see the Performance Reporting website at https://rptsrv1.tea.texas.gov/perfreport/account/2017/index.html

TEA | Academics | Performance Reporting
Texas Education Agency
2017 Accountability Summary
Kountze Middle (100903041) - Kountze ISD

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 Chart]

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>422</td>
<td>606</td>
<td>70</td>
</tr>
<tr>
<td>2 - Student Progress</td>
<td>246</td>
<td>800</td>
<td>31</td>
</tr>
<tr>
<td>3 - Closing Performance Gaps</td>
<td>442</td>
<td>1,400</td>
<td>32</td>
</tr>
<tr>
<td>4 - Postsecondary Readiness</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>STAAR Score</td>
<td>27.0</td>
<td>N/A</td>
<td>27</td>
</tr>
<tr>
<td>Graduation Rate Score</td>
<td>N/A</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>Graduation Plan Score</td>
<td>N/A</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>Postsecondary Component Score</td>
<td>N/A</td>
<td>N/A</td>
<td></td>
</tr>
</tbody>
</table>

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: 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: Middle School
- Campus Size: 190 Students
- Grade Span: 07 - 08
- Percent Economically Disadvantaged: 38.9
- Percent English Language Learners: 2.6
- Mobility Rate: 14.6
- Percent Served by Special Education: 8.9
- Percent Enrolled in an Early College High School Program: 0.0

System Safeguards

- Number and Percentage of Indicators Met
  - Performance Rates: 13 out of 17 = 76%
  - Participation Rates: 8 out of 8 = 100%
  - Graduation Rates: N/A
  - Total: 21 out of 25 = 84%

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**

<table>
<thead>
<tr>
<th>Met Standards on</th>
<th>Did Not Meet Standards on</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Student Achievement</td>
<td>- NONE</td>
</tr>
<tr>
<td>- Student Progress</td>
<td></td>
</tr>
<tr>
<td>- Closing Performance Gaps</td>
<td></td>
</tr>
<tr>
<td>- Postsecondary Readiness</td>
<td></td>
</tr>
</tbody>
</table>

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

<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>443</td>
<td>598</td>
<td>74</td>
</tr>
<tr>
<td>2 - Student Progress</td>
<td>121</td>
<td>400</td>
<td>30</td>
</tr>
<tr>
<td>3 - Closing Performance Gaps</td>
<td>323</td>
<td>800</td>
<td>40</td>
</tr>
<tr>
<td>4 - Postsecondary Readiness</td>
<td>10.8</td>
<td>24.0</td>
<td>18.7</td>
</tr>
</tbody>
</table>

Distinction Designation

- Academic Achievement in ELA/Reading: **DISTINCTION EARNED**
- Academic Achievement in Mathematics: **NO 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
- **Campus Size**: 317 Students
- **Grade Span**: 09 - 12
- **Percent Economically Disadvantaged**: 35.0
- **Percent English Language Learners**: 1.6
- **Mobility Rate**: 15.7
- **Percent Served by Special Education**: 7.3
- **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>Met Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance Rates</td>
<td>11 out of 13 = 85%</td>
</tr>
<tr>
<td>Participation Rates</td>
<td>8 out of 8 = 100%</td>
</tr>
<tr>
<td>Graduation Rates</td>
<td>3 out of 3 = 100%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>22 out of 24 = 92%</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

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### Site Information Form Part II

#### §11.9(c)(4) - Opportunity Index (Competitive HTC and Direct Loan Applications Only)

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

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**

- X 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 Rural or USDA and Development Site is within the required distance 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.**

<table>
<thead>
<tr>
<th>Amenity</th>
<th>Distance</th>
</tr>
</thead>
<tbody>
<tr>
<td>full service grocery store (4 miles)</td>
<td></td>
</tr>
<tr>
<td>full service grocery store (4 miles)</td>
<td></td>
</tr>
<tr>
<td>licensed center serving children (4 miles)</td>
<td></td>
</tr>
<tr>
<td>census tract with crime rate of ≤26 per 1k persons</td>
<td></td>
</tr>
<tr>
<td>public library (4 miles)</td>
<td></td>
</tr>
<tr>
<td>public park w/playground (4 miles)</td>
<td></td>
</tr>
</tbody>
</table>

---

**Development is Urban and Development Site is within the required radius 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.**

**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.**

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

**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:** 7

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:
- Wholly or partially within a Colonia (Note: Not eligible if application qualifies for Opportunity Index points);
- 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;
- 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;
- 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.

Contiguous Census Tract #

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)**

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

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

Region: 5     Rural

- Development is in an Urban Area.
- 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.
- Plan is current at the time of Application and officially continues for a minimum of three years thereafter.
- Plan has been adopted by the municipality or county and resolution or certification is attached.
- Letter from appropriate local official, target area map, and supporting documentation are provided.
- 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.
- Evidence of sufficient, documented and committed funding to accomplish the plan’s purposes on its established timetable is provided.
- No points were claimed for Opportunity Index, but location would qualify for at least 4 points under §11.9(c)(4)(B):
Rehabilitation Demolition/Reconstruction

AND, if applicable,

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

Application is seeking points for Concerted Revitalization. Total Points Claimed: 5.

Application is seeking points for Declared Disaster Area. Total Points Claimed: 6.

Application meets all of the following requirements:

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):

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, if applicable,

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 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

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

Development is in a Rural Area.

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, if applicable,

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):

Application is seeking points for Readiness to Proceed. Total Points Claimed: 5

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

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

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

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.
### Supporting Documentation for the Site Information Form Part II

**Opportunity Index (Competitive HTC and Direct Loan Only)**
- Map with Development Site boundaries indicated, relative to census tract boundaries
- Map with Development Site boundaries indicated, relative to census tract boundaries; and contiguous census tract with evidence of no physical barriers between the tracts
- Map(s) of Community Assets with Development, radius, and each asset labeled
- 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

**For each amenity, supporting documentation to evidence how the amenity meets each requirement for the amenity**

**Print-out from DFPS website confirming daycare licensed to serve relevant age groups**

**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**
[https://www.neighborhoodscout.com](https://www.neighborhoodscout.com)

**Print-out from THECB website confirming accreditation of university or community college**
[http://www.txhighereddata.org/Interactive/Institutions.cfm](http://www.txhighereddata.org/Interactive/Institutions.cfm)

**Evidence of regular and recurring substantive services provided by community, civic or service organization, as applicable**

**Evidence amenity is operational or has started site work (for instance: website postings, newspaper ads, etc.); evidence of costs or membership fees, age restrictions, as applicable**

**Evidence of Underserved Area (Competitive HTC and Direct Loan Only)**

- For Colonia:
  - Evidence from Attorney General of Colonia boundaries; and
  [https://www.texasattorneygeneral.gov/cpd/colonias](https://www.texasattorneygeneral.gov/cpd/colonias)
  - 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
  - Map showing development site boundaries, relative to Colonia boundaries, and distance from Rio Grande river border.

- For Economically Distressed Areas:
  - A letter or correspondence from Texas Water Development Board indicating the boundaries of the EDA; and
  - Map showing development site boundaries, relative to EDA boundaries.

**For other items:**
- Development must be awarded 2002 or earlier for 15-year threshold and 1987 or earlier for 30-year threshold.
- The Site Demographic Characteristics Report is posted on 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)
- Map with Development Site boundaries indicated, relative to census tract boundaries
- Map with census tract boundaries indicated, relative to boundaries of incorporated area, if applicable
- Map with all contiguous census tracts, if applicable

**Proximity to Urban Core (Competitive HTC Only)**

### Additional Resources
- [Map showing development site boundaries, relative to census tract boundaries](#)
- [Map with census tract boundaries indicated, relative to boundaries of incorporated area, if applicable](#)
- [Map with all contiguous census tracts, if applicable](#)
Map with the appropriate radius, City Hall location, and evidence of meetings regularly scheduled for City Council, City Commission, or similar governing body.

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)(i)(I-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:
- Current rent roll
- Evidence Development constructed 25 or more years prior to application (1992 or earlier)
- Evidence Development is public housing or affordable housing supported by USDA, HUD, HOME or CDBG
- Evidence 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, if applicable.
- Resolution from appropriate Governing Body describing concerted revitalization effort and identifying Development as contributing more than any other to such effort.
- For each amenity, supporting documentation to evidence that the amenity meets each Opportunity Index requirement for the amenity

Declared Disaster Area:
- 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). 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
- 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
<table>
<thead>
<tr>
<th>Box</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
<td>Evidence from lender that the lenders’ third party reports have been ordered</td>
</tr>
<tr>
<td>X</td>
<td>Signed architect contract</td>
</tr>
<tr>
<td></td>
<td>Critical path schedule with specific anticipated date for each milestone for site development and building permitting from the architect of record</td>
</tr>
<tr>
<td></td>
<td>Permit-ready architectural plans</td>
</tr>
<tr>
<td>X</td>
<td>Evidence that Site Plan has been submitted for permit and received by the appropriate permitting authority</td>
</tr>
<tr>
<td>X</td>
<td>Description from architect of record of current stage of architectural plans</td>
</tr>
<tr>
<td></td>
<td>Evidence that site development permit application has been submitted and received by the appropriate permitting authority</td>
</tr>
<tr>
<td></td>
<td>Description of timing for property acquisition</td>
</tr>
<tr>
<td></td>
<td>Description of timing for construction permits</td>
</tr>
<tr>
<td>X</td>
<td>Evidence of selection of construction contractor</td>
</tr>
<tr>
<td>X</td>
<td>Description of timing for execution of construction contracts</td>
</tr>
<tr>
<td></td>
<td>For any applicable public entity, evidence that contract procurement(s) has been issued per 2 CFR 200</td>
</tr>
<tr>
<td></td>
<td>For any applicable public entity, evidence that contract procurement(s) has been completed per 2 CFR 200</td>
</tr>
<tr>
<td></td>
<td>Detailed construction schedule including groundbreaking, start of site work, start of vertical construction, etc.</td>
</tr>
</tbody>
</table>
Project execution plan

Other (describe): Executed Proposal for Geotechnical Soil and Foundation Investigation

Other (describe): Executed Proposal for Storm Water Pollution Prevention Plan Submission to TCEQ
### Opportunity Index Data (§11.9(c)(4) of the 2018 Qualified Allocation Plan)

The median household income data is from table B19013 and the poverty data is from table S1701 of the 2011-2015 5-year American Community Survey (ACS). This data corresponds with the Opportunity Index scoring item at §11.9(c)(4) of the 2018 Qualified Allocation Plan (QAP). The QAP can be found at [http://www.tdhca.state.tx.us/multifamily/nofas-rules.htm](http://www.tdhca.state.tx.us/multifamily/nofas-rules.htm). Please contact jason.burr@tdhca.state.tx.us with any questions.

<table>
<thead>
<tr>
<th>Region</th>
<th>Census Tract</th>
<th>County FIPS</th>
<th>Poverty Rate</th>
<th>Median Poverty Rate by Region</th>
<th>Poverty Rate Rank</th>
<th>Median Income - Household</th>
<th>Q3 Income &gt;</th>
<th>Q2 Income &gt;</th>
<th>Q1 Income &gt;</th>
<th>Median Household Income Quartile</th>
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<tr>
<td>5</td>
<td>48199030400</td>
<td>Hardin</td>
<td>17.7</td>
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<td>31685.75</td>
<td>41279</td>
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</table>
Census Tract Map for Kountze Pines at Allen Street, LP

Pines at Allen Street

Northeast Quadrant of Allen Street and Tubb Street, Kountze, Texas 77625,

Hardin County Census Tract: 48199030400
The 2018 Qualified Census Tracts (QCTs) and Difficult Development Areas (DDAs) are effective January 1, 2018. The 2018 designations use data from the 2019 Decennial census and three releases of 5-year tabulations from the American Community Survey (ACS: 2009-2013, 2010-2014, and 2011-2015). The designation methodology is explained in the federal Register notice published September 11, 2017.
Opportunity Index Points – Rural

1. **Grocery Store – 4 Mile**
   Brookshire Brothers
   90 W Monroe St Kountze, TX 77625

2. **Pharmacy – 4 Mile**
   Brookshire Brothers Pharmacy
   90 W Monroe St Kountze, TX 77625

3. **Licensed Daycare – 4 Mile**
   MET Head Start of Hardin County
   1565 S. Pine St. Kountze, TX 77625

4. **Property Crime Rate**
   Per NeighborhoodScout.com it is 14.77 per 1,000 (under 26 per 1,000)

5. **Public Library – 4 Mile**
   Kountze Public Library
   800 S. Redwood Avenue Kountze, Texas 77625

6. **Public Park with Playground – 4 Mile**
   Kountze City Park
   1600 S Pine Street Kountze, Texas 77625

7. **Outdoor Rec Center – 3 Mile**
   Kountze Little League Park
   254 TX-326 Kountze, Texas 77625

8. **Community, Civic, or Service Organization – 3 Mile**
   Christian Loving Care Center
   325 Crocker Street Kountze, Texas 77625

9. **Meals on Wheels**
   Meals on Wheels Jefferson and Hardin Counties
   4590 Concord Beaumont, Texas 77703
Store Details

Brookshire Brothers
90 W. Monroe St.
Kountze, TX 77625

Weekly Ad  Refill Prescription

STORE
Store Name: Brookshire Brothers
Store Hours: 7 AM - 9 PM
Store Manager: THOMAS W CRYER
Phone: (409) 246-3804

FEATURES
- Pharmacy: √
- Drive-Thru Pharmacy: √
- Offers Flu Shot: √
- Beverage Depot: √
- Bakery: √
- Deli: √

To sign up to Brookshire Brothers Promo Alerts: Text JOIN 36 to 59652
To sign up to Tobacco Barn Promo Alerts: Text TBARN 436 to 82936

PHARMACY
- Pharmacy Hours: MON-FRI: 8:30 AM - 6 PM; SAT: 9 AM - 1 PM
- Pharmacist: Kenny Bailey
- Pharmacy Phone: 409-246-2525
- Pharmacy Fax: 409-246-3369
- State Board Number: 18305

FUEL
- Fuel Brand(s): Conoco
About Brookshire Brothers

Brookshire Brothers is headquartered in East Texas, a beautiful country complete with tall pine trees, pristine lakes and thousands of acres of woodlands. It truly is a great place to live and work.

Brookshire Brothers is employee-owned and with more than 7,000 employee-owners, it's likely one of your neighbors is part of the Brookshire Brothers family. Our employee-owners take great pride in serving their community. They can be found coaching baseball, volunteering at schools, or helping at local church events. You may even run into them at your local Brookshire Brothers grocery store! Customers enjoy friendly relationships with our stores and our employees. Those relationships make for stronger communities and neighborhoods.

We don't take a one-size-fits-all approach to our stores. Each store provides for the unique needs of the community it serves. We operate under nine distinctive retail brands – Brookshire Brothers, Brookshire Brothers Express, Cormie's Grocery, David's Supermarkets, David's Express, Pecan Foods, Polk Pick-It-Up, Brookshire Brothers Pharmacy and Tobacco Barn. From contemporary grocery stores and convenience-supermarket hybrids to traditional convenience stores, we deliver choices to our customers. At Brookshire Brothers, and in each of our retail brands, our mission is to truly be, "A Celebration of Family and Community".
Produce: Bringing the best your way

At Brookshire Brothers, our goal is to serve our guests with quality products. That means we make sure our fruits and vegetables come from farms that make their product right, whether they’re locally-grown produce or delivered to our door. That means we mean it when we say we offer organic produce.

And, of course, that means any help you may need in your walk down the produce aisle can always be provided by our in-store experts. They’re dedicated to their knowledge of fruits and vegetables, but they’re even more dedicated to helping you get exactly what you need. So come on in – produce shopping is better with someone you know.

Fresh Express
If you’re short on time, but want the crunch, flavor, and nutrition you can only get from quality produce, we’re here to help. Grab a bag of Fresh Express salads, or enjoy pre-cut, washed fruits and vegetables. Garden salads, kale, spinach, coleslaw and salad kits are delivered daily.

Sunrise Snacks
Delicious bites for the healthy eater on the go, Sunrise Snacks are prepackaged, snack-sized servings of great-tasting dried fruits and vegetables – all low-calorie and low-sodium. Available in varieties like dried okra, green beans, carrots, and bananas, you’ll find a zesty snack for every palate.

Chiquita
The leading grower of bananas is also our number-one source for convenient, pre-packaged fruits and vegetables.

Special Orders
Looking for something different? No problem! Our produce experts are ready and willing to work on a special order for any occasion.
Since 1921, Brookshire Brothers has been the destination of choice for generations of proud Texans and Louisianans who demand the best for their families. Each Brookshire Brothers store has its own unique identity to best fulfill the needs of the community it serves. Our mission is simple: Provide an exceptional shopping experience resulting in complete customer satisfaction.

At Brookshire Brothers, customers depend on our food experts for innovative solutions. It is that atmosphere of service that sets us apart. You'll meet experienced meat cutters, creative cake decorators, professional pharmacists and friendly customer service teams all eager to make your shopping experience exceptional.

The freshest produce, the highest quality meats, and our famous fried chicken are just a few of our signature products. Our customers have come to expect us to not only stock these time-tested favorites, but offer the latest in new products. We're proud to offer an extensive selection of locally grown and sourced items from across Texas and Louisiana.

You'll find friendly folks, invested in their communities, who take pride in serving our customers and their families. We're proud to be your hometown store and invite you to come experience the difference.
Brookshire Brothers Pharmacy

Your health is our priority

Professional pharmacy solutions with a personal approach to your health – that’s what our Brookshire Brothers pharmacists provide. Our pharmacy experts, who know their customers by name, deliver individualized advice and support. You can count on our knowledgeable pharmacy staff as a trusted source of information offering wellness counseling or recommendations on medication management. When you use one of the convenient Brookshire Brothers pharmacies, you can be confident you'll receive quality, professional service that's focused on your individual health.

REFILL YOUR PRESCRIPTION

FIND A STORE
## Operation Details

You may click on the question mark image (?) to view the Frequently Asked Questions (FAQ) page.

<table>
<thead>
<tr>
<th>Operation Number:</th>
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<tbody>
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<tr>
<td>Program Provided:</td>
<td>Child Care Program</td>
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<td>Operation/Caregiver Name:</td>
<td>MET Head Start of Hardin County</td>
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<tr>
<td>Location Address:</td>
<td>1565 S PINE ST KOUNTZE, TX 77625</td>
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<tr>
<td>Mailing Address:</td>
<td>PO BOX 1837 KOUNTZE, TX 77625</td>
</tr>
<tr>
<td>Phone Number:</td>
<td>409-246-3808</td>
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<td>County:</td>
<td>HARDIN</td>
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<tr>
<td>Website Address:</td>
<td><a href="mailto:metkountze@yahoo.com">metkountze@yahoo.com</a></td>
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<td>Email Address:</td>
<td><a href="mailto:metkountze@yahoo.com">metkountze@yahoo.com</a></td>
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<tr>
<td>Administrator/Director Name:</td>
<td>Julie Osborne</td>
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<td>Type of Issuance:</td>
<td>Full Permit</td>
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<td>Toddler, Pre-Kindergarten, School</td>
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<td>Adverse Action:</td>
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<tr>
<td>Temporarily Closed:</td>
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</tbody>
</table>

### Two Year Inspection Summary

- Inspectors routinely monitor compliance with Licensing standards, rules and law. At a minimum, licensed and certified operations are inspected at least once a year; Registered Child Care Homes are inspected at least once every two years, Listed Family Homes are inspected only if there is a report of abuse/neglect or if we receive a report that the home is caring for too many children.

- When operations have serious deficiencies or a significant number of deficiencies, repeat deficiencies, or fail to make corrections timely, they are inspected more frequently by licensing staff, to ensure the health and safety of children in care.

- In the last two years, Licensing conducted the following:
  - 2 Inspections
  - 0 Assessments
  - 0 Self Reported Incidents
  - 0 Reports

  Click on the inspection type to see additional details related to each inspection.

- There are many standards that an operation must comply with; the total number varies for each type of operation. An operation or home is generally given an opportunity to correct deficiencies and has the right to request a review of a deficiency. Deficiencies pending review are not included in the two year history.

### Two Year Compliance Summary

- During the last two years, 1044 standards were evaluated for compliance at this operation.

- Of the standards evaluated 0 deficiencies were cited.

  Click on the number of deficiencies to see additional details.

- Each standard is assigned a weight. The weight ensures all inspectors consider standard violations in the same way, and represents the potential impact a deficiency might have on children. Review the inspection reports to learn more about each citation. It's important to remember; weights are not assigned to an individual operation, inspection, or circumstance and are not intended to result in a ranking of operations or score.

- The weights of the standard deficiencies cited in the past two years are as follows:
  - 0 were weighted as High
  - 0 were weighted as Medium - High
  - 0 were weighted as Medium
  - 0 were weighted as Medium - Low
  - 0 were weighted as Low

  Click on the weight to see additional details about each deficiency.

Disclaimer: The online compliance history includes only information after January 1, 2002. In addition, the online compliance history does not include minimum standard violations or corrective or adverse actions until after the child-care operation has had due process or waived its rights. For compliance history prior to January 1, 2002 or history with pending due process, please contact your local licensing office. Child-Care Licensing disclaims liability for any errors or omissions from the compliance history information.
KOUNTZE, TX CRIME

NEIGHBORHOOD CRIME DATA

TOTAL CRIME INDEX

66
(100 is safest)

Safer than 66% of U.S. neighborhoods.

NEIGHBORHOOD ANNUAL CRIMES

<table>
<thead>
<tr>
<th>Number of Crimes</th>
<th>VIOLENT</th>
<th>PROPERTY</th>
<th>TOTAL</th>
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<tr>
<td>Crime Rate</td>
<td>2.38</td>
<td>14.77</td>
<td>17.15</td>
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</tbody>
</table>

NEIGHBORHOOD VIOLENT CRIME

VIOLENT CRIME INDEX

53
(100 is safest)

Safer than 53% of U.S. neighborhoods.

VIOLENT CRIME INDEX BY TYPE

<table>
<thead>
<tr>
<th>MURDER INDEX</th>
<th>RAPE INDEX</th>
<th>ROBBERY INDEX</th>
<th>ASSAULT INDEX</th>
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<tbody>
<tr>
<td>100</td>
<td>100</td>
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<td>38</td>
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VIOLENT CRIME COMPARISON (PER 1,000 RESIDENTS)

<table>
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<tr>
<th>Kountze</th>
<th>Texas</th>
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</thead>
<tbody>
<tr>
<td>3.36</td>
<td>4.34</td>
</tr>
</tbody>
</table>

MY CHANCES OF BECOMING A VICTIM OF A VIOLENT CRIME

1 IN 420

In Kountze

1 IN 230

In Texas
Welcome to Kountze Public Library!

"Creating lifelong readers and learners."
800 S. Redwood Avenue
Kountze, TX  77625
Phone: 409-246-2826 & Fax: 409-246-4659
Accredited Member of Texas State Library System & member of CTLS, Inc.

Library Catalog

Library Closing
The Library will close Monday, February 19th in honor of Presidents’ Day

Check out e-books and e-audio books using your 13-digit Kountze Library Card number. Call 409 246-2826 for more information.

DOWNLOAD THE FREE LIBRARY TREK APP!

You can now download the Library Trek app from the App Store or Play Store. Use it to log into your Kountze Library account using the last digits of your library card number and your password. Call the library for your unique password the first time you log in. Library phone is 409 246-2826.

Watch the Demo using this link: https://surpasssoftware.com/library-trek

Access free legal forms, Heritage Quest, and much more!
Learn a new language! Over 50 databases are available at no cost.
Contact the library at 409 246-2826 for your TexShare login info.
Kountze City Park

3.8 · 4 reviews
Park

1600 S Pine St, Kountze, TX 77625

Open now

- **Sunday**: 8AM–6PM
- Monday: 8AM–6PM
- Tuesday: 8AM–6PM
- Wednesday: 8AM–6PM
- Thursday: 8AM–6PM
- Friday: 8AM–6PM
- Saturday: 8AM–6PM

Claim this business

Add a label

**SUGGEST AN EDIT**

Add missing information

- Add phone number
- Add website

**Popular times**

- **Sundays**: 

**Add a photo**

**11 Photos**
Tell people what you think

No reviews. Be the first to review this!

Bonnie Grisham added 2 new photos — with Buellas Tibbs and Ebriana Weisheit at Kountze City Park.

Just a lil trip to my hometown to celebrate New Years Day with my Momma!! Yeehaw ya'll!!

January 1 · Kountze ·

12 likes

Benito Anaya updated his profile picture.

November 16, 2017 ·
Kountze Little League Park

4.0 · 3 reviews
Baseball Field

Add missing information

Add phone number
Add website

6 Photos

Review summary

5
4
3
2
1

4.0

3 reviews

"This place is nice with a friendly atmosphere."

"Down home friendly people well in to child's activity. We"
2018 SPRING REGISTRATION IS NOW OPEN! CLICK HERE
PARENT ONLINE REGISTRATION INSTRUCTIONS!

We are utilizing a new online registration program so you will have to create a new account. READ MORE
Thank you all for your hard work and support of The Christian Loving Care Center with the food drives.

DRIVE BY BROOKSHIRE'S AND EDUCATION FIRST KOL

[Image of people with food donations]

Like  Comment  Share
6

[Comment]

Like  Comment  Share
2

[Comment]
STORY

Organized in 1987 as an interfaith mission with twelve area churches. Our mission is to provide help to anyone who qualifies. We are open to the public Monday and Thursday 9 a.m. to 1 p.m. We are staffed by volunteers who have graciously donated their time to help the community of Hardin County. In 2015 we provided help to 1,252 families.
CONGREGATE OR GROUP DINING SERVICES

Nutrition & Services provides noon meals at 17 locations within Hardin and Jefferson County. In addition to enjoying their lunch, clients can participate in games such as bingo, dominoes and cards. Almost everyday you can find a group of friends gathering to visit and share their noon meal. Seniors participating in the Congregate Nutrition Program have the opportunity to improve their health and reduce their risk of disability through lifestyle behaviors emphasized in the program. Through healthy meals, culturally appropriate nutrition education and physical activity programs, our seniors find social engagement and linkages to volunteer opportunities that are essential for health and well-being. The suggested contribution is $2.00 per senior (60+). No one is turned away if they are unable to contribute. The meal is $4.00 for guests under 60 years of age. Please reserve your meal at least 24 hours in advance.

Come join us for a little lunch, fun with friends, and lots of laughs!

Printable Menu

COUNTY LISTING

JEFFERSON COUNTY

BEAUMONT CENTERS

BEST YEARS CENTER
781 S. 4th Street
Beaumont, TX 77701
(409)683-1902

PATH (HSS)
4500 Concord Road
Beaumont, TX 77701
(409)893-4455

PROSPERITY
3585 N. Major Drive
Beaumont, TX 77713
(409)893-2735

RAINTREE TOWERS
3130 French Road
Beaumont, TX 77706
(409)680-0196

SEVILLE APARTMENTS
4225 Crow Road
Beaumont, TX 77706
(409)898-4656

PORT ARTHUR CENTERS

COLLINS APARTMENTS
4440 Gulfway Drive
Port Arthur, TX 77642
409/722-6444

CRYSTAL CREEK PARK
8101 Honeywood Trail
Port Arthur, TX 77642
409/721-6377

HEATHERBROOK APARTMENTS
7500 Heathcreek Trail
Port Arthur, TX 77642
409/722-6377

RECREATION CENTER
1306 9th Avenue
Port Arthur, TX 77641
409/722-6371

NEDERLAND SENIOR CENTER
164 Boston Ave.
Nederland, TX 77627
409/727-5230

GROVES SENIOR CENTER
5649 W. Washington
Groves, TX 77619
(409)663-1036

PORT NECHES SENIOR CENTER
633 Grigsby Ave.
Port Neches, TX 77651
409/277-8550

VILLAGE MILLS FIRST BAPTIST CHURCH
12426 Hwy. 69 N.
Village Mills, TX 77663
409/684-2371

BATSON W. HARDIN SENIOR CENTER
42447 B Hwy. 105
Batson, TX 77519
936/252-8883

HARDIN COUNTY

SILSBEE SENIOR CENTER
1108 N. 5th St.
Silsbee, TX 77656
(409)385-2523

LUMBERTON SENIOR CENTER
140 L. Claire Stuart
Lumberton, TX 77657
409/755-2530

SOUR LAKE SENIOR CENTER
350 S. Ave.
Sour Lake, TX 77659
409/387-3374

VILLAGE MILLS FIRST BAPTIST CHURCH
12426 Hwy. 69 N.
Village Mills, TX 77663
409/684-2371

BATSON W. HARDIN SENIOR CENTER
42447 B Hwy. 105
Batson, TX 77519
936/252-8883
MEALS ON WHEELS

The heart of Nutrition & Services for Seniors lies in the home delivered meals program (or Meals on Wheels). Since 1983, this service alone has provided over 5 million hot noon meals to hungry seniors and home bound disabled adults in Jefferson and Hardin Counties.

TO QUALIFY FOR MEALS:

- 60 years of age or older
- Reside in Jefferson or Hardin Counties
- Unable to drive, shop or cook
- Have no family or caregiver at noon time to prepare a meal

MEAL INFORMATION:

- All meals are prepared and packaged in our central kitchen located on Concord Road in Beaumont.
- Financial status is not a determining factor for services.
- Meal delivery is between 10:30 a.m. & 1:30 p.m. Monday – Friday.
- Meals provide 1/3 of the daily nutritional requirements for older Americans.
- Diabetic meals are available on request.

Printable Menu

For more information please call (409)892-4455 or e-mail us at info@seniormeals.org

Click here to learn more about becoming a Volunteer.
Underserved Area Support – No Developments Awarded within 30 Years
Census Tract Map for Kountze Pines at Allen Street, LP

Pines at Allen Street

Northeast Quadrant of Allen Street and Tubb Street, Kountze, Texas 77625,

Hardin County Census Tract: 48199030400
2017 and 2018 Small DDAs and QCTs

Map Options: Clear | Reset | Full Screen

QCT Legend:
- Tract Outline
- LHTC Project
- 2018 Qualified Census Tracts
- SADDAs
- 2018 Small DDA (Entire ZIP code)
- Split ZCTAs

*DDDA designation for split ZCTAs is not shown on map. Please refer to the Metro SDDA designation list to determine designation status (DDA2018M.pdf).

Hide the overview of SDDA

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 designation methodology is explained in the federal Register notice published September 11, 2017.

Map Options
- 16 Current Zoom Level
- Show SADDAs
- Zoom 10+
- Color QCT Tracts
- Zoom 7+
- Show Tracts Outline
- Zoom 11+
- Show FMR Outlines
- Zoom 4+
- Show LHTC Projects
- Zoom 11+

Click here for full screen map

Select Year
- 2018
- 2017

QCT for 2018
- Tract: 304.00
- County: Hardin County
- State: TX
- Status (2018): Not Qualified
- Poverty Rate: 25.4%
- Ratio of Tract Median Income to Tract Income Limit: 0.803
- Full Tract Number: 481996504000

Map data ©2018 Google. Terms of Use.
### 2018 Declared Disaster Areas
#### Counties Expiring after March 1, 2018
Eligible under §11.9(d)(3) of the 2018 QAP

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<tr>
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<td>Roberts</td>
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<td>Kerr</td>
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<td>San Jacinto</td>
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<td>Milam</td>
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<tr>
<td>Calhoun</td>
<td>Harrison</td>
<td>Montgomery</td>
<td>Victoria</td>
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<tr>
<td>Callahan</td>
<td>Hemphill</td>
<td>Newton</td>
<td>Walker</td>
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<tr>
<td>Cameron</td>
<td>Henderson</td>
<td>Nueces</td>
<td>Waller</td>
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<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>
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<tr>
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<td>Palo Pinto</td>
<td>Wheeler</td>
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<tr>
<td>Colorado</td>
<td>Jackson</td>
<td>Parker</td>
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<td>Comal</td>
<td>Jasper</td>
<td>Polk</td>
<td>Wilson</td>
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<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>
<thead>
<tr>
<th>Aransas</th>
<th>Fayette</th>
<th>Jefferson</th>
<th>Orange</th>
</tr>
</thead>
<tbody>
<tr>
<td>Austin</td>
<td>Fort Bend</td>
<td>Karnes</td>
<td>Polk</td>
</tr>
<tr>
<td>Bastrop</td>
<td>Galveston</td>
<td>Kleberg</td>
<td>Refugio</td>
</tr>
<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>
</tr>
<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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<td>Chambers</td>
<td>Harris</td>
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<td>Victoria</td>
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<td>DeWitt</td>
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<td>Nueces</td>
<td>Waller</td>
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<td>Wharton</td>
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</tbody>
</table>
If selected for an award of tax credits, Kountze Pines at Allen Street, LP commits to close all financing and fully execute the construction contract on or before October 31, 2018.

Zoning
Appropriate zoning is currently in place for Pines at Allen Street. There is no zoning in the City of Kountze. See evidence provided in Tab 8 of the application.

Financing Partners
The development team has received preliminary financing commitments from BBVA and Hudson Housing Capital which include acknowledgements that closing will occur no later than October 31, 2018. The financing commitments also include the critical path schedule for various reviews and approvals that will occur in order to meet the October 31, 2018 closing deadline.

Architect
The architect contract has been executed with Long Architecture. Additionally, the architect has provided a critical path schedule for each phase of the design process for the development. This schedule also describes the current stage of architectural plans. The architect anticipates submission of plans for permitting by August 31, 2018. The review period is expected to last approximately a month with the City of Kountze, and permits are expected to be issued October 1, 2018.

Property Acquisition
Pursuant to the site control contract, closing is required to occur on or before May 19, 2019. However, Kountze Pines at Allen Street, LP intends to acquire the property on or before October 31, 2018 as part of the financing closing.

Permitting
The Preliminary Site Plan will be submitted to the City of Kountze for preliminary review on August 6, 2018. The submission of plans for permitting will occur August 31, 2018. The City of Kountze has a policy to issue permits within 48 hours, per the City Secretary, Kim Haynes. However, in order to allow sufficient time for processing of a larger development, the development team is allowing 30 days for permit issuance.

Construction Contract
Nautical Affordable Housing, Inc. has been selected as the general contractor and ICON Builders, LLC has been selected as the prime subcontractor for Pines at Allen Street. See attached notification of selection. Contract negotiations are expected to be complete October 22, 2018, and a construction contract is anticipated to be executed no later than October 31, 2018.
# Pines at Allen Street
## Development Timeline

<table>
<thead>
<tr>
<th>Milestone</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Architectural Design - Conceptual Design Complete</td>
<td>2/28/2018</td>
</tr>
<tr>
<td>Housing Tax Credit Application Submission</td>
<td>3/1/2018</td>
</tr>
<tr>
<td>Market Study Complete &amp; Submitted to TDHCA</td>
<td>3/26/2018</td>
</tr>
<tr>
<td>Geotechnical Report Complete</td>
<td>4/2/18-4/27/18</td>
</tr>
<tr>
<td>Architectural Design - Construction Documents 60% Plans Complete</td>
<td>4/2/18-6/15/18</td>
</tr>
<tr>
<td>SWPPP Complete</td>
<td>6/4/18-6/15/18</td>
</tr>
<tr>
<td>Construction Budget - Construction Documents 60% Budget</td>
<td>6/15/18-6/29/18</td>
</tr>
<tr>
<td>Architectural Design - Permit Set Plans Complete</td>
<td>6/15/18-8/31/18</td>
</tr>
<tr>
<td>Start weekly calls with Lender &amp; Investor</td>
<td>7/9/18-10/30/18</td>
</tr>
<tr>
<td>Lender Review - Phase I Environmental Site Assessment &amp; Market Study</td>
<td>7/16/18-7/27/18</td>
</tr>
<tr>
<td>Tax Credit Award</td>
<td>7/26/2018</td>
</tr>
<tr>
<td>Lender and Investor - Underwriting, Due Diligence, and Credit/Investment Approvals</td>
<td>7/30/18-10/5/18</td>
</tr>
<tr>
<td>City of Kountze Site Plan Submission</td>
<td>8/6/18-8/31/18</td>
</tr>
<tr>
<td>Closing Documents Prepared</td>
<td>8/6/18-10/12/18</td>
</tr>
<tr>
<td>Lender - Order and Review Appraisal</td>
<td>8/27/18-9/14/18</td>
</tr>
<tr>
<td>Construction Budget - Permits Set Plans - Bidding/Negotiations</td>
<td>8/31/18-9/24/18</td>
</tr>
<tr>
<td>City of Kountze Building Permit Application</td>
<td>8/31/18-9/28/18</td>
</tr>
<tr>
<td>Construction Budget Finalized</td>
<td>9/24/18-9/28/18</td>
</tr>
<tr>
<td>Lender and Investor - Plan and Cost Review</td>
<td>9/24/18-10/12/18</td>
</tr>
<tr>
<td>Building Permits Issued</td>
<td>10/1/2018</td>
</tr>
<tr>
<td>Finalize Closing Documents</td>
<td>10/12/18-10/22/18</td>
</tr>
<tr>
<td>Financial Closing, Landing Closing, and Construction Contract Execution</td>
<td>10/23/18-10/25/18</td>
</tr>
<tr>
<td>Closing Deadline</td>
<td>10/30/2018</td>
</tr>
<tr>
<td>Construction Commencement</td>
<td>11/5/2018</td>
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<tr>
<td>Land Closing Deadline</td>
<td>5/19/2019</td>
</tr>
<tr>
<td>Construction Completion</td>
<td>12/31/2019</td>
</tr>
</tbody>
</table>
February 27, 2018

Kountze Pines at Allen Street, LP
Attn: Donald R. Ball
Executive Director of Sole Member of General Partner
1885 E. Farragut
Orange, TX 77630

Re: Pines at Allen Street - Kountze, TX

Dear Mr. Ball:

Thank you for providing Hudson Housing Capital LLC (“Hudson”, the “Company”) with the opportunity to extend a purchase offer for the limited partnership interest in the Partnership that will own Pines at Allen Street.

Hudson is a Delaware limited liability company formed to directly acquire limited partnership interests in partnerships which own apartment complexes qualifying for low-income housing tax credits ("Tax Credits") under Section 42 of the Internal Revenue Code of 1986, as amended (the "Code").

Set forth are the basic business terms under which Hudson or its designee ("Investor") will acquire a 99.98% limited partnership interest in the Partnership, which will own an 80-unit complex in Kountze, Texas (the “Property”). You have advised us that ITEX Development, LLC and Nautical Affordable Housing, Inc. (collectively, the “Developer”) will be the co-developers and that Kountze Pines at Allen Street GP, LLC (the “General Partner”), will be the general partner of the Partnership. An affiliate of the Investor will be admitted to the Partnership as a special member (the “Special Limited Partner”, “SLP”) with limited supervisory rights. The ITEX Group, LLC and Christopher Akbari (the “Guarantor”) shall jointly and severally guarantee the obligations of the General Partner under the partnership agreement to be entered into between the parties (the “Partnership Agreement”). The Guarantor will be required to maintain minimum liquidity and net worth covenants to be negotiated (the “Net Worth and Liquidity Covenant”).

You have advised us that the Property is applying for an allocation of 9% Federal Tax Credits in the annual amount of $979,220 and that 68 of the 80 units will qualify for Tax Credits.
I. Equity Investment

The Investor will contribute to the Partnership a total of $8,713,315 (the “Total Equity”) or approximately $0.89 (the "Tax Credit Ratio") per total Tax Credit available to the Investor, payable in the following installments:

<table>
<thead>
<tr>
<th>Contribution</th>
<th>Contribution %</th>
<th>Timing</th>
</tr>
</thead>
<tbody>
<tr>
<td>First</td>
<td>20%</td>
<td>At Closing and Through Construction</td>
</tr>
<tr>
<td>Second</td>
<td>50%</td>
<td>Construction Completion</td>
</tr>
<tr>
<td>Third</td>
<td>25%</td>
<td>Permanent Financing</td>
</tr>
<tr>
<td>Fourth</td>
<td>5%</td>
<td>Issuance of 8609s</td>
</tr>
</tbody>
</table>

a. First Capital Contribution. The Investor will fund the First Capital Contribution at Closing.

b. Second Capital Contribution. The Second Capital Contribution will be paid upon the satisfaction of the conditions set forth in the Partnership Agreement, which are principally as follows: (i) lien-free construction completion of the Property substantially in accordance with the Plans and Specifications in a workmanlike manner approved by Hudson; (ii) issuance of Certificates of Occupancy for 100% of the units in the Property; (iii) receipt of an unaudited cost certification for the Property from independent accountants to the Partnership (the "Accountants"), setting forth the eligible basis and the total available Tax Credits; (iv) if not received at the Initial Closing, receipt of a carry-over allocation for the Property; (v) receipt of a pay-off letter from the general contractor or subcontractors, as applicable; (vi) satisfactory financial condition of the Guarantor including no event of bankruptcy; and (vii) receipt of prior year's income tax returns in the event such returns are then due.

d. Third Capital Contribution. The Third Capital Contribution will be paid upon the satisfaction of the conditions set forth in the Partnership Agreement, which are principally as follows: (i) closing of the permanent first mortgage loan (“Permanent Loan Closing”); (ii) receipt of final Tax Credit cost certification from the Accountants as to the amount of Tax Credits the Partnership will claim for 2020/2021 and the amount allocable to each partner (the “Final Certification”); (iii) receipt of prior year's income tax returns in the event such returns are then due; and (iv) qualification of 100% of the set-aside apartment units in the Property for Tax Credits; and (v) achievement of Breakeven level for three consecutive months (the “Breakeven Date”).

"Breakeven" shall mean that, for each such month, occupancy is at least 92.5% and that Property income (with rents not to exceed maximum allowed tax credit rents net of the applicable utility allowances and excluding any commercial income) exceeds expenses including replacement reserves, reassessed taxes, and permanent loan debt service (calculated on a stabilized and accrual basis) and generates debt service coverage of not less than 1.15 assuming the greater of actual or a 7.5% vacancy rate.
e. **Fourth Capital Contribution.** The Fourth Capital Contribution will be paid upon satisfaction of the conditions set forth in the Partnership Agreement, which are principally as follows: (i) receipt of Form 8609 with respect to all buildings constituting the Property; and (ii) receipt of a tax return and an audited financial statement for the year in which the Breakeven Date occurred.

If the conditions for payment of the Fourth Capital Contribution have been met except for the receipt of (ii) above, $15,000 of the Fourth Capital Contribution will be held back and paid upon receipt of the same.

Our offer is also contingent on the following financing sources and assumptions:

a. Construction loan from a lender acceptable to the Investor in the approximate amount of $8,940,000.

b. Permanent loan from a lender acceptable to the Investor in the approximate amount of $2,925,000 with a fixed interest rate not to exceed 6.00% compounded, a term of at least 20 years, and payments based on 35-year amortization.

c. A $250 in-kind contribution from the City of Kountze.

d. Deferred developer fee in the amount of $610,882.

e. Our proposal assumes that all of the debt will be structured as nonrecourse debt from a third party for tax purposes.

**II. Developer Fee**

The Developer shall receive a Developer Fee of approximately $1,525,245. The cash developer fee (non-deferred fee) estimated to be 914,363 shall be paid 20% at closing, 15% at the time of the Second Capital Contribution, and the balance from the Third and Fourth Capital Contributions. At this time, $610,882 of the Developer Fee is projected to be deferred. You have represented that the amount of the Developer Fee does not exceed the amount permitted to be paid by the Texas Department of Housing and Community Affairs. Deferred developer fees shall be paid from available cash flow as detailed in Section V and shall bear interest at the AFR. Principal payments on the deferred developer fees shall commence with the funding of the Third Capital Contribution. The General Partner agrees to make a special capital contribution to the Partnership equal to any unpaid balance of the deferred portion of the Developer Fee if such portion has not been fully paid within 13 years from the date of the payment of the Second Capital Contribution.

**III. Property Management Fee**

The management agreement, to be approved by the Investor, shall have an initial term of 1 year and shall be renewable annually thereafter, shall provide for an annual management fee not to exceed 5% of gross effective income, and shall otherwise be on commercially reasonable
terms (including a termination right by the General Partner in the event of fraud/gross negligence or material default by the Manager). If the managing agent is affiliated with the General Partner, the management agreement shall provide for a deferral of up to 100% of the management fee in the event that the property does not generate cash flow sufficient to pay must-pay debt service.

IV. **Intentionally Omitted**

V. **Cash Flow Distributions**

**Prior to the Third Capital Contribution**

Any Cash Flow and income generated by the Property prior to the Third Capital Contribution will be allocated to the General Partner.

**Subsequent to the Third Capital Contribution**

Cash flow from the Property, after payment of operating expenses (including the Administrative Expense Reimbursement, current and any deferred property management fees from prior years, and debt service), replenishment of required reserves (including any reserve payments which were not made due to insufficient cash flow) and payment of any tax liability incurred by the Limited Partner ("Cash Flow"), shall be distributed annually (subsequent to the Third Capital Contribution) as follows:

a. to payment of any amounts owed to the Limited Partner;
b. to maintain the Minimum Balance in the Operating Reserve;
c. to the payment of any Operating Deficit Loans, if any;
d. 90% of Cash Flow after V(c). to
   • to Developer Fees until paid in full; and
   • the balance (if any) to the General Partner as a preferred return with an equivalent allocation of income.
e. the remainder to be split in accordance with Partnership interests.

VI. **Sale or Refinancing Proceeds**

Net sale or refinancing proceeds (i.e., after payment of, outstanding debts, liabilities other than to the General Partner and its affiliates and expenses of the Partnership and establishment of necessary reserves) shall be distributed as follows:

a. Repayment of any amounts due to the limited partners, if any;
b. Repayment of outstanding loans by the General Partner, including the Developer Fee Note (if not paid) and Operating Deficit loans; and
c. 10% to the Investor and 90% to the General Partner.

VII. **General Partner Commitments**
a. **Low Income Housing Tax Credit Adjustment.** Our offer is based upon the assumption that the Partnership will qualify for and claim $489,611 in 2020, the full amount of the Partnership's Tax Credit allocation, $979,220 for each year from 2021 through 2029, and $489,611 in 2030.

(i) Adjustments during equity payment (construction and leaseup) period

In the event that either the Form 8609's or the Final Certification indicate that the Property will not generate the projected aggregate amount of Tax Credits (other than as specified below), the Partnership Agreement will provide for a return of such capital, an adjustment in the amount of any unpaid Capital Contributions and/or a payment by the General Partner to the Investor, sufficient to restore the Tax Credit Ratio as defined above.

Not withstanding the preceding paragraph, in the event that the Final Certification specifies that, while the aggregate amount of Tax Credits allocable to the Partnership is unchanged, the amount of Tax Credits allocable to the Partnership in 2020/2021 is less than the amounts specified above for the corresponding years, the Second/Third/Fourth Capital Contributions will be reduced by $0.65 for each dollar by which such amount exceeds the amount of Federal Tax Credits allocable to the Partnership for such period.

(ii) Adjustments during compliance period

After the Form 8609's have been issued, in the event that the actual amount of Tax Credits which may be claimed by the Partnership is less than the amount specified in such Forms, the General Partner shall reimburse the Investor on a dollar-for-dollar basis for each lost dollar of Tax Credits plus any resulting penalties or taxes due. Similarly, if there is a recapture of Tax Credits (except from the sale or transfer of the Investor's interest in the Partnership, or due to a change of applicable tax law), the General Partner shall upon demand indemnify the Investor and its partners against any Tax Credit recapture liability (including interest, penalties and any reasonable related legal or accounting costs) which they may incur during the Compliance Period.

b. **Development Deficit Guarantee.** The General Partner shall be responsible for completion of the Property in a workmanlike manner, in accordance with approved plans and specifications, free and clear of all liens. To the extent that the costs of construction and operations until the Breakeven Date exceed the amount of any funding by approved permanent third party lenders, any unpaid Developer Fees and the amount of the Investor's capital commitment (adjusted as set forth above), the General Partner shall pay all such costs and expenses connected with development and construction of the Property, including all operating expenses of the Property until the Breakeven Date has been achieved. The development budget shall include an owner’s hard cost contingency of at least 5% of the construction contract amount which shall be outside the...
contractor’s control. The general contractor shall provide a payment and performance bond or a letter of credit with terms acceptable to Hudson.

c. **Operating Deficit Guarantee.** The General Partner shall make interest free loans to the Partnership (repayable from cash flow and/or sale and refinancing proceeds as described above) equal to any Operating Deficits (including the Minimum Deposit described in VII e. below and the administration fee described in VIII. a. below) incurred during the period beginning on the Breakeven Date and ending on the completion of three consecutive years of Breakeven operations, in an amount not to exceed 12 months of underwritten operating expenses in the aggregate (the “Operating Deficit Guaranty”).

An Operating Reserve in an amount equal to six months expenses and debt service shall be funded at the time of the Third Capital Contribution. The General Partner shall be obligated to fund this reserve and any draws shall require the consent of the SLP and shall be allowed only subsequent to the expiration of the Operating Deficit Guaranty. The Operating Reserve shall be maintained for the duration of the compliance period and any draws shall be replenished from Cash Flow (the “Minimum Balance”).

d. **Obligations of General Partner.** Immediately following the occurrence of any of the following events, (x) the General Partner shall admit the Special Limited Partner or its designee as the managing general partner of the Partnership and, at the option of the Investor, withdraw from the Partnership; or, (y) at the option of the Investor with respect to any of the events described in clauses (i) through (v) below, repurchase the Investor's interest in the Partnership: (i) an IRS Form 8609 is not issued with respect to each of the buildings in the Property in a timely manner after each such building has been placed in service; (ii) the Property is not fully placed in service by December 31, 2020; (iii) the permanent loan commitment is canceled or substantially modified, and a suitable replacement loan to be approved by the Investor is not obtained or if the Property qualifies for a permanent loan not sufficient to balance the sources and uses of funds; (iv) permanent loan closing has not occurred not later than December 31, 2021; (v) the Partnership fails to meet the minimum set aside test (as defined in Section 42 of the Code) or fails to execute and record a Tax Credit Extended Use Commitment by the close of the first year of the Credit Period; (vi) the Partnership shall have been declared in default by any mortgage lender or under the tax credit allocation or foreclosure proceedings have been commenced against the Property and such default is not cured or such proceeding is not dismissed within 30 days; or (vii) there is a material violation of the Partnership Agreement by the General Partner or if the property manager is an affiliate of the General Partner, a material violation of the management agreement by the manager which causes material adverse harm to the Investor, the Partnership or the Property.

If the Investor elects to have its interest repurchased by the General Partner, the repurchase price shall be equal to 105% of the Total Equity, less amounts not yet paid, plus interest at Prime + 1%.
e. **Replacement Reserve.** Commencing with the month following Completion, the Partnership will make a minimum monthly replacement reserve deposit (the "Minimum Deposit") equal to (on an annualized basis) the greater of (i) the amount required by the permanent lender and (ii) $250/unit. The amount of the Minimum Deposit shall be increased annually by a percentage (the “CPI Percentage”). If the sum of all lender-imposed monthly replacement reserve deposits is less than the Minimum Deposit, Investor will establish a separate account into which the General Partner will deposit the difference. Any interest earned on such account shall become a part thereof.

f. **Reporting.** The Partnership will be required to furnish Investor with (a) quarterly unaudited financial statements within 45 days after the end of each quarter of the fiscal year; (b) annual audited financial statements within 60 days after the end of each fiscal year; (c) an annual budget for each fiscal year of the Partnership, not later than November 1 of the preceding year; and (d) the Partnership's tax returns and K-1 forms within 60 days after the end of each fiscal year. The penalty for any failure to deliver Partnership tax returns or K-1 forms prior to the specified deadline shall be (i) $50 per day for the first seven days after such deadline, (ii) $100 per day for the next seven days and (iii) $150 per day thereafter, provided that the amount of such penalty shall not exceed $3,000 in any year.

**VIII. Fees to Affiliates of Hudson**

* a. **Administrative Expense Reimbursement.** An affiliate of Hudson shall receive an annual administrative expense reimbursement from the Partnership in the amount of $7,500, which amount shall be increased annually by the CPI Percentage. Any unpaid amounts shall accrue.

**IX. Representations, Warranties and Covenants**

The General Partner shall make certain representations and warranties as to the Partnership, the General Partner and the Property to be set forth in the Partnership Agreement.

**X. Accountants**

The Accountants for the Partnership ("Accountants") shall be CohnReznick or another firm approved by the Investor. The Accountants shall prepare tax and financial reports as set forth in the Partnership Agreement, and the Final Certification referred to in I.c., above.

**XI. Investment Partnership Rights**

The Partnership Agreement will provide certain approval rights as to major actions proposed to be taken by the General Partner. The Investor shall have the right to remove the General Partner and the Manager for cause.

**XII. Insurance**
At the closing, the General Partner shall provide for title insurance satisfactory to counsel to the Investor in an amount equal to the sum of all Capital Contributions, all mortgage loans and the amount of any Development Fee Note. Prior to the payment of any additional installment of the Capital Contribution, a "date down" of such policy shall be provided. The General Partner shall provide for (i) liability (general and excess) insurance in an amount of at least $6,000,000 (increased biennially by the CPI Percentage), (ii) hazard insurance (including boiler and machinery coverage) and flood insurance (to the extent that the property is in a 100 year flood zone) in an amount of not less than the full replacement value of the Property, (iii) rental loss insurance for a period of 12 months after the date of loss and (iv) law and ordinance coverage with no sublimit, including changes in law and ordinances enacted during the course of reconstruction. Builder's risk insurance shall be provided during construction. Architects shall submit evidence of errors and omissions coverage, in amounts reasonably satisfactory to the Investor. Workers compensation insurance shall be provided as to any entity with employees working at the Apartment Complex. All policies shall name the Investor as an additional insured and shall otherwise be subject to Investor approval.

XIII. Indemnity Agreement

The General Partner shall indemnify the Investor, Hudson and its affiliates, and their respective officers, directors for any untrue statement of a material fact or omission to state a material fact necessary to make any such statement, in light of the circumstances under which they were made, not misleading, by the General Partner or its agents set forth in any document delivered by the General Partner or its agents in connection with the acquisition of the Property, the investment by the Investor in the Partnership and the execution of the Partnership Agreement.

XIV. General Conditions

Payment of the Second/Third/Fourth Capital Contributions shall be conditioned upon completion of an appropriate due diligence review by the Investor to confirm that there have been no changes in material circumstances affecting the Property, including (i) receipt of estoppel letter(s) from all lenders, (ii) review of title (including a "date-down" endorsement), survey, environmental and other legal and regulatory matters, (iii) receipt of a "date-down" legal opinion from counsel to the Partnership and (iv) certification by the General Partner as to the continued accuracy of representations and warranties made in the Partnership Agreement.

XV. Right of First Refusal

The General Partner and Developer shall grant Hudson a right of first refusal to purchase any Tax Credits generated by any subsequent phase of the Property which may be developed. Any terms and conditions of such purchase (other than the price and timing of equity payments) shall be on substantially the same terms as this letter.
XVI. **Conditions to Closing**

Hudson has completed the following due diligence as of the issuance of this letter:

1. Evaluated the financial feasibility of the Project including the site location;
2. Reviewed the financial capacity of the guarantor;
3. Reviewed the financial capacity and experience of the general contractor.

Closing of this transaction is contingent upon the following:

1. Completion of Hudson’s final due diligence and underwriting process, including but not limited to, approval of the final plan and cost review and receipt of all zoning and plan approvals;
2. Receipt of an allocation of 9% Federal Tax Credits from TDHCA in the annual amount of $979,220;
3. Closing of the Construction Loan with a lender acceptable to Hudson.

Hudson is aware that Pines at Allen Street is expecting to close before October 31, 2018 and will work with the parties involved to ensure the deadline is met.

At closing, Hudson shall be reimbursed up to $50,000 for its legal and due diligence related expenses. The General Partner understands that any consultant, engineering, environmental or other, selected for the project shall be acceptable to the lender and to the equity investor and that the Partnership shall bear the cost of fees associated with pre-construction feasibility studies, structural analysis, and monthly inspections. In the event this commitment is terminated or the transaction does not close, Hudson shall be reimbursed for its legal and due diligence expenses incurred to date.

Additionally, approval of this transaction is subject to Hudson’s final Investment Committee approval in its sole and absolute discretion. Specifically, the Tax Credit Ratio and Total Capital Contribution identified in Section I are based on current market conditions. Any substantial change in such market conditions, including but not limited to higher interest rates, shall cause the Investor, in its sole discretion, to modify the Tax Credit Ratio.
By executing this commitment and in consideration of the substantial expenses to be incurred by Hudson and its affiliates in legal and accounting fees and for due diligence, you agree that you and your affiliates will not offer any interest in the Property to any other party unless this commitment is terminated by mutual consent or unless you are notified that, pursuant to its due diligence, the Investor will not complete its investment in the Partnership, which notification shall be given not later than 45 days from our receipt of this commitment executed by you, subject to extension in the event of any delay on your part in furnishing the requested due diligence materials. This commitment will terminate on August 31, 2018.

Sincerely,

Hudson Housing Capital LLC

By: ________________________

Joshua Lappen
Vice President

ACCEPTED AND AGREED TO
THIS _2_ DAY OF _FE_ , 2018

By: ________________________

Name: Mr. Donald Ball
Title: President
Dear Donald,

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:

Receive and Approve Phase 1 Environmental Site Assessment 7/16/18 – 7/27/18
- 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 7/16/18 – 7/27/18
- Market study is provided by borrower.

Order and Approve Appraisal 8/27/18 – 9/14/18
- 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 7/30/18 – 10/5/18
- The Bank’s credit review has been performed preliminarily and is ongoing during the closing process.

Outside Legal Engaged and Loan Documents Prepared 8/6/18 – 10/12/18
- 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 9/24/18 – 10/12/18
- 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.

Closing of Construction Loan 10/23/18 – 10/25/18

Sincerely,

Ken Overshiner, Senior Vice President,
Community Development Capital, Compass Bank
AGREEMENT made as of the twenty-third day of January in the year two thousand eighteen

(Betwecn, indicate day, month and year)

BETWEEN the Architect's client identified as the Owner:
(Name, legal status, address and other Information)

Kountze Pines at Allen Street, LP
3800 HWY 365, Suite 165
Port Arthur, Texas 77642

and the Architect:
(Name, legal status, address and other Information)

Long Architecture
6465 Calder Avenue, Suite 206
Beaumont, Texas 77706

for the following Project:
(Name, location and detailed description)

The Pines at Allen Street
NE Quadrant of Allen Street and Tubb Street in Kountze, Texas 77625.
Construction of an 80 unit apartment complex to include a community building, parking, and sidewalks. Services to include architectural design; mechanical, electrical, plumbing design; structural foundation design; civil design; and landscaping design. LEED certification and documentation are not included.

The Owner and Architect agree as follows.

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.
ARTICLE 1 INITIAL INFORMATION

§ 1.1 This Agreement is based on the Initial Information set forth in this Article 1:
(State below Initial Information such as details of the Project's site and program, Owner's contractors and consultants, Architect's consultants, Owner's budget for the Cost of the Work, authorized representatives, anticipated procurement method, and other information relevant to the Project.)

§ 1.2 Check one box below to indicate whether the Owner will provide estimates of the Cost of the Work or whether the Architect will provide estimates of the Cost of the Work:

[ X ] Owner-provided estimates

[ ] Architect-provided estimates

§ 1.3 The Owner’s anticipated dates for commencement of construction, Substantial Completion, and final completion of the Work are set forth below:

.1 Commencement of construction date:

October 31, 2018

.2 Substantial Completion date:

Approximately 12 months from commencement.

.3 Final completion date:

Approximately 14 months from commencement.
§ 1.4 The Owner and Architect may rely on the Initial Information. Both parties, however, recognize that such information may materially change and, in that event, the Owner and the Architect shall appropriately adjust the schedule, the Architect’s services and the Architect’s compensation.

ARTICLE 2 ARCHITECT’S RESPONSIBILITIES
§ 2.1 The Architect shall provide the professional services as set forth in this Agreement.

§ 2.2 The Architect shall perform its services consistent with the professional skill and care ordinarily provided by architects practicing in the same or similar locality under the same or similar circumstances. The Architect shall perform its services as expeditiously as is consistent with such professional skill and care and the orderly progress of the Project.

§ 2.3 The Architect shall identify a representative authorized to act on behalf of the Architect with respect to the Project.

§ 2.4 Except with the Owner’s knowledge and consent, the Architect shall not engage in any activity, or accept any employment, interest or contribution that would reasonably appear to compromise the Architect’s professional judgment with respect to this Project.

§ 2.5 The Architect shall maintain the following insurance for the duration of this Agreement. If any of the requirements set forth below exceed the types and limits the Architect normally maintains, the Owner shall reimburse the Architect for any additional cost:

(Identify types and limits of insurance coverage, and other insurance requirements applicable to the Agreement, if any.)

.1 General Liability

$2,000,000.00 general aggregate
$1,000,000.00 each occurrence

.2 Automobile Liability

.3 Workers’ Compensation

.4 Professional Liability

$1,000,000.00 aggregate
$1,000,000.00 per claim

ARTICLE 3 SCOPE OF ARCHITECT’S BASIC SERVICES
§ 3.1 The Architect’s Basic Services consist of those described in Article 3 and include usual and customary structural, mechanical, and electrical engineering services. Services not set forth in Article 3 are Optional Services and Additional Services.

§ 3.1.1 The Architect shall manage the Architect’s services, consult with the Owner, research applicable design criteria, attend Project meetings, communicate with members of the Project team and report progress to the Owner.

§ 3.1.2 The Architect shall coordinate its services with those services provided by the Owner and the Owner’s consultants. The Architect shall be entitled to rely on the accuracy and completeness of services and information furnished by the Owner and the Owner’s consultants. The Architect shall provide prompt written notice to the Owner if the Architect becomes aware of any error, omission or inconsistency in such services or information.
§ 3.1.3 As soon as practicable after the date of this Agreement, the Architect shall submit for the Owner’s approval a schedule for the performance of the Architect’s services. The schedule initially shall include anticipated dates for the commencement of construction and for Substantial Completion and final completion of the Work as set forth in the Initial Information. The schedule shall include allowances for periods of time required for the Owner’s review, for the performance of the Owner’s consultants, and for approval of submissions by authorities having jurisdiction over the Project. Once approved by the Owner, time limits established by the schedule shall not, except for reasonable cause, be exceeded by the Architect or Owner. With the Owner’s approval, the Architect shall adjust the schedule, if necessary, as the Project proceeds until the commencement of construction.

§ 3.1.4 The Architect shall not be responsible for an Owner’s directive or substitution made without the Architect’s approval.

§ 3.1.5 The Architect shall, at appropriate times, contact the governmental authorities required to approve the Construction Documents and the entities providing utility services to the Project. In designing the Project, the Architect shall respond to applicable design requirements imposed by such governmental authorities and by such entities providing utility services.

§ 3.1.6 The Architect shall assist the Owner in connection with the Owner’s responsibility for filing documents required for the approval of governmental authorities having jurisdiction over the Project.

§ 3.2 Schematic Design Phase Services
§ 3.2.1 The Architect shall review the program and other information furnished by the Owner, and shall review laws, codes, and regulations applicable to the Architect’s services.

§ 3.2.2 The Architect shall prepare a preliminary evaluation of the Owner’s program, schedule, budget for the Cost of the Work, Project site, and the proposed procurement or delivery method and other Initial Information, each in terms of the other, to ascertain the requirements of the Project. The Architect shall notify the Owner of (1) any inconsistencies discovered in the information, and (2) other information or consulting services that may be reasonably needed for the Project.

§ 3.2.3 The Architect shall present its preliminary evaluation to the Owner and shall discuss with the Owner alternative approaches to design and construction of the Project, including the feasibility of incorporating environmentally responsible design approaches. The Architect shall reach an understanding with the Owner regarding the requirements of the Project.

§ 3.2.4 Based on the Project’s requirements agreed upon with the Owner, the Architect shall prepare and present for the Owner’s approval a preliminary design illustrating the scale and relationship of the Project components.

§ 3.2.5 Based on the Owner’s approval of the preliminary design, the Architect shall prepare Schematic Design Documents for the Owner’s approval. The Schematic Design Documents shall consist of drawings and other documents including a site plan, if appropriate, and preliminary building plans, sections and elevations; and may include some combination of study models, perspective sketches, or digital modeling. Preliminary selections of major building systems and construction materials shall be noted on the drawings or described in writing.

§ 3.2.5.1 The Architect shall consider environmentally responsible design alternatives, such as material choices and building orientation, together with other considerations based on program and aesthetics, in developing a design that is consistent with the Owner’s program, schedule and budget for the Cost of the Work. The Owner may obtain other environmentally responsible design services under Article 4.

§ 3.2.5.2 The Architect shall consider the value of alternative materials, building systems and equipment, together with other considerations based on program and aesthetics in developing a design for the Project that is consistent with the Owner’s program, schedule and budget for the Cost of the Work.

§ 3.2.6 The Architect shall submit the Schematic Design Documents to the Owner and request the Owner’s approval.
§ 3.3 Design Development Phase Services
§ 3.3.1 Based on the Owner's approval of the Schematic Design Documents, and on the Owner's authorization of any adjustments in the Project requirements and the budget for the Cost of the Work, the Architect shall prepare Design Development Documents for the Owner's approval. The Design Development Documents shall illustrate and describe the development of the approved Schematic Design Documents and shall consist of drawings and other documents including plans, sections, elevations, typical construction details, and diagrammatic layouts of building systems to fix and describe the size and character of the Project as to architectural, structural, mechanical and electrical systems, and such other elements as may be appropriate. The Design Development Documents shall also include outline specifications that identify major materials and systems and establish in general their quality levels.

§ 3.3.2 The Architect shall submit the Design Development Documents to the Owner and request the Owner’s approval.

§ 3.4 Construction Documents Phase Services
§ 3.4.1 Based on the Owner's approval of the Design Development Documents, and on the Owner's authorization of any adjustments in the Project requirements and the budget for the Cost of the Work, the Architect shall prepare Construction Documents for the Owner's approval. The Construction Documents shall illustrate and describe the further development of the approved Design Development Documents and shall consist of Drawings and Specifications setting forth in detail the quality levels of materials and systems and other requirements for the construction of the Work. The Owner and Architect acknowledge that in order to construct the Work the Contractor will provide additional information, including Shop Drawings, Product Data, Samples and other similar submittals, which the Architect shall review in accordance with Section 3.6.4.

§ 3.4.2 The Architect shall incorporate into the Construction Documents the design requirements of governmental authorities having jurisdiction over the Project.

§ 3.4.3 During the development of the Construction Documents, the Architect shall assist the Owner in the development and preparation of (1) bidding and procurement information that describes the time, place and conditions of bidding, including bidding or proposal forms; (2) the form of agreement between the Owner and Contractor; and (3) the Conditions of the Contract for Construction (General, Supplementary and other Conditions). The Architect shall also compile a project manual that includes the Conditions of the Contract for Construction and Specifications and may include bidding requirements and sample forms.

§ 3.4.4 The Architect shall submit the Construction Documents to the Owner and request the Owner’s approval.

§ 3.5 Bidding or Negotiation Phase Services
§ 3.5.1 General
The Architect shall assist the Owner in establishing a list of prospective contractors. Following the Owner’s approval of the Construction Documents, the Architect shall assist the Owner in (1) obtaining either competitive bids or negotiated proposals; (2) confirming responsiveness of bids or proposals; (3) determining the successful bid or proposal, if any; and, (4) awarding and preparing contracts for construction.

§ 3.5.2 Competitive Bidding
§ 3.5.2.1 Bidding Documents shall consist of bidding requirements and proposed Contract Documents.

§ 3.5.2.2 The Architect shall assist the Owner in bidding the Project by
1. procuring the reproduction of Bidding Documents for distribution to prospective bidders;
2. distributing the Bidding Documents to prospective bidders, requesting their return upon completion of the bidding process, and maintaining a log of distribution and retrieval and of the amounts of deposits, if any, received from and returned to prospective bidders;
3. organizing and conducting a pre-bid conference for prospective bidders;
4. preparing responses to questions from prospective bidders and providing clarifications and interpretations of the Bidding Documents to all prospective bidders in the form of addenda; and
5. organizing and conducting the opening of the bids, and subsequently documenting and distributing the bidding results, as directed by the Owner.
§ 3.3 Design Development Phase Services
§ 3.3.1 Based on the Owner’s approval of the Schematic Design Documents, and on the Owner’s authorization of any adjustments in the Project requirements and the budget for the Cost of the Work, the Architect shall prepare Design Development Documents for the Owner’s approval. The Design Development Documents shall illustrate and describe the development of the approved Schematic Design Documents and shall consist of drawings and other documents including plans, sections, elevations, typical construction details, and diagrammatic layouts of building systems to fix and describe the size and character of the Project as to architectural, structural, mechanical and electrical systems, and such other elements as may be appropriate. The Design Development Documents shall also include outline specifications that identify major materials and systems and establish in general their quality levels.

§ 3.3.2 The Architect shall submit the Design Development Documents to the Owner and request the Owner’s approval.

§ 3.4 Construction Documents Phase Services
§ 3.4.1 Based on the Owner’s approval of the Design Development Documents, and on the Owner’s authorization of any adjustments in the Project requirements and the budget for the Cost of the Work, the Architect shall prepare Construction Documents for the Owner’s approval. The Construction Documents shall illustrate and describe the further development of the approved Design Development Documents and shall consist of Drawings and Specifications setting forth in detail the quality levels of materials and systems and other requirements for the construction of the Work. The Owner and Architect acknowledge that in order to construct the Work the Contractor will provide additional information, including Shop Drawings, Product Data, Samples and other similar submittals, which the Architect shall review in accordance with Section 3.6.4.

§ 3.4.2 The Architect shall incorporate into the Construction Documents the design requirements of governmental authorities having jurisdiction over the Project.

§ 3.4.3 During the development of the Construction Documents, the Architect shall assist the Owner in the development and preparation of (1) bidding and procurement information that describes the time, place and conditions of bidding, including bidding or proposal forms; (2) the form of agreement between the Owner and Contractor; and (3) the Conditions of the Contract for Construction (General, Supplementary and other Conditions). The Architect shall also compile a project manual that includes the Conditions of the Contract for Construction and Specifications and may include bidding requirements and sample forms.

§ 3.4.4 The Architect shall submit the Construction Documents to the Owner and request the Owner’s approval.

§ 3.5 Bidding or Negotiation Phase Services
§ 3.5.1 General
The Architect shall assist the Owner in establishing a list of prospective contractors. Following the Owner’s approval of the Construction Documents, the Architect shall assist the Owner in (1) obtaining either competitive bids or negotiated proposals; (2) confirming responsiveness of bids or proposals; (3) determining the successful bid or proposal, if any; and, (4) awarding and preparing contracts for construction.

§ 3.5.2 Competitive Bidding
§ 3.5.2.1 Bidding Documents shall consist of bidding requirements and proposed Contract Documents.

§ 3.5.2.2 The Architect shall assist the Owner in bidding the Project by:

1. procuring the reproduction of Bidding Documents for distribution to prospective bidders;
2. distributing the Bidding Documents to prospective bidders, requesting their return upon completion of the bidding process, and maintaining a log of distribution and retrieval and of the amounts of deposits, if any, received from and returned to prospective bidders;
3. organizing and conducting a pre-bid conference for prospective bidders;
4. preparing responses to questions from prospective bidders and providing clarifications and interpretations of the Bidding Documents to all prospective bidders in the form of addenda; and
5. organizing and conducting the opening of the bids, and subsequently documenting and distributing the bidding results, as directed by the Owner.
§ 3.5.2.3 The Architect shall consider requests for substitutions, if the Bidding Documents permit substitutions, and shall prepare and distribute addenda identifying approved substitutions to all prospective bidders.

§ 3.5.3 Negotiated Proposals
§ 3.5.3.1 Proposal Documents shall consist of proposal requirements and proposed Contract Documents.

§ 3.5.3.2 The Architect shall assist the Owner in obtaining proposals by
.1 procuring the reproduction of Proposal Documents for distribution to prospective contractors, and requesting their return upon completion of the negotiation process;
.2 organizing and participating in selection interviews with prospective contractors; and
.3 participating in negotiations with prospective contractors, and subsequently preparing a summary report of the negotiation results, as directed by the Owner.

§ 3.5.3.3 The Architect shall consider requests for substitutions, if the Proposal Documents permit substitutions, and shall prepare and distribute addenda identifying approved substitutions to all prospective contractors.

§ 3.6 Construction Phase Services
§ 3.6.1 General
§ 3.6.1.1 The Architect shall provide administration of the Contract between the Owner and the Contractor as set forth below and in AIA Document A201™-2007, General Conditions of the Contract for Construction. If the Owner and Contractor modify AIA Document A201-2007, those modifications shall not affect the Architect’s services under this Agreement unless the Owner and the Architect amend this Agreement.

§ 3.6.1.2 The Architect shall advise and consult with the Owner during the Construction Phase Services. The Architect shall have authority to act on behalf of the Owner only to the extent provided in this Agreement. The Architect shall not have control over, charge of, or responsibility for the construction means, methods, techniques, sequences or procedures, or for safety precautions and programs in connection with the Work, nor shall the Architect be responsible for the Contractor’s failure to perform the Work in accordance with the requirements of the Contract Documents. The Architect shall be responsible for the Architect’s negligent acts or omissions, but shall not have control over or charge of, and shall not be responsible for, acts or omissions of the Contractor or of any other persons or entities performing portions of the Work.

§ 3.6.1.3 Subject to Section 4.3, the Architect’s responsibility to provide Construction Phase Services commences with the award of the Contract for Construction and terminates on the date the Architect issues the final Certificate for Payment.

§ 3.6.2 Evaluations of the Work
§ 3.6.2.1 The Architect shall visit the site at intervals appropriate to the stage of construction, or as otherwise required in Section 4.3.3, 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, when fully completed, will be in accordance with the Contract Documents. However, the Architect shall not be required to make exhaustive or continuous on-site inspections to check the quality or quantity of the Work. On the basis of the site visits, the Architect shall keep the Owner reasonably informed about the progress and quality of the portion of the Work completed, and report to the Owner (1) known deviations from the Contract Documents and from the most recent construction schedule submitted by the Contractor, and (2) defects and deficiencies observed in the Work.

§ 3.6.2.2 The Architect has the authority to reject Work that does not conform to the Contract Documents. Whenever the Architect considers it necessary or advisable, the Architect shall have the authority to require inspection or testing of the Work in accordance with the provisions of the Contract Documents, 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.
§ 3.6.2.3 The Architect shall interpret and decide matters concerning performance under, and requirements of, the Contract Documents on written request of either the Owner or Contractor. The Architect's response to such requests shall be made in writing within any time limits agreed upon or otherwise with reasonable promptness.

§ 3.6.2.4 Interpretations and decisions of the Architect shall be consistent with the intent of and reasonably inferable from the Contract Documents and shall be in writing or in the form of drawings. When making such interpretations and decisions, the Architect shall endeavor to secure faithful performance by both Owner and Contractor, shall not show partiality to either, and shall not be liable for results of interpretations or decisions rendered in good faith.

§ 3.6.2.5 Unless the Owner and Contractor designate another person to serve as an Initial Decision Maker, as that term is defined in AIA Document A201-2007, the Architect shall render initial decisions on Claims between the Owner and Contractor as provided in the Contract Documents.

§ 3.6.3 Certificates for Payment to Contractor
§ 3.6.3.1 The Architect shall review and certify the amounts due the Contractor and shall issue certificates in such amounts. The Architect's certification for payment shall constitute a representation to the Owner, based on the Architect's evaluation of the Work as provided in Section 3.6.2 and on the data comprising the Contractor's 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 (1) to an evaluation of the Work for conformance with the Contract Documents upon Substantial Completion, (2) to results of subsequent tests and inspections, (3) to correction of minor deviations from the Contract Documents prior to completion, and (4) to specific qualifications expressed by the Architect.

§ 3.6.3.2 The issuance of a Certificate for Payment shall 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 right to payment, or (4) ascertained how or for what purpose the Contractor has used money previously paid on account of the Contract Sum.

§ 3.6.3.3 The Architect shall maintain a record of the Applications and Certificates for Payment.

§ 3.6.4 Submittals
§ 3.6.4.1 The Architect shall review the Contractor's submittal schedule and shall not unreasonably delay or withhold approval. The Architect's action in reviewing submittals shall be taken in accordance with the approved submittal schedule 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.

§ 3.6.4.2 In accordance with the Architect-approved submittal schedule, the Architect shall review and approve or take other appropriate action upon the Contractor's submittals such as Shop Drawings, Product Data and Samples, but only for the limited purpose of checking for conformance with information given and the design concept expressed in the Contract Documents. Review of such submittals is not for the purpose of determining the accuracy and completeness of other information such as dimensions, quantities, and installation or performance of equipment or systems, which are the Contractor's responsibility. 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.

§ 3.6.4.3 If the Contract Documents specifically require the Contractor to provide professional design services or certifications by a design professional related to systems, materials or equipment, the Architect shall specify the appropriate performance and design criteria that such services must satisfy. The Architect shall review shop drawings and other submittals related to the Work designed or certified by the design professional retained by the Contractor that bear such professional's seal and signature when submitted to the Architect. 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.


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User Notes:
§ 3.6.4.4 Subject to the provisions of Section 4.3, the Architect shall review and respond to requests for information about the Contract Documents. The Architect shall set forth in the Contract Documents the requirements for requests for information. Requests for information shall include, at a minimum, a detailed written statement that indicates the specific Drawings or Specifications in need of clarification and the nature of the clarification requested. The Architect’s response to such requests shall be made in writing within any time limits agreed upon, or otherwise with reasonable promptness. If appropriate, the Architect shall prepare and issue supplemental Drawings and Specifications in response to requests for information.

§ 3.6.4.5 The Architect shall maintain a record of submittals and copies of submittals supplied by the Contractor in accordance with the requirements of the Contract Documents.

§ 3.6.5 Changes in the Work
§ 3.6.5.1 The Architect may authorize minor changes in the Work that are consistent with the intent of the Contract Documents and do not involve an adjustment in the Contract Sum or an extension of the Contract Time. Subject to the provisions of Section 4.3, the Architect shall prepare Change Orders for the Owner’s approval and execution in accordance with the Contract Documents.

§ 3.6.5.2 The Architect shall maintain records relative to changes in the Work.

§ 3.6.6 Project Completion
§ 3.6.6.1 The Architect shall conduct inspections to determine the date or dates of Substantial Completion and the date of final completion; issue Certificates of Substantial Completion; receive from the Contractor and forward to the Owner, for the Owner’s review and records, written warranties and related documents required by the Contract Documents and assembled by the Contractor; and issue a final Certificate for Payment based upon a final inspection indicating the Work complies with the requirements of the Contract Documents.

§ 3.6.6.2 The Architect’s inspections shall be conducted with the Owner to check conformance of the Work with the requirements of the Contract Documents and to verify the accuracy and completeness of the list submitted by the Contractor of Work to be completed or corrected.

§ 3.6.6.3 When the Work is found to be substantially complete, the Architect shall inform the Owner about the balance of the Contract Sum remaining to be paid the Contractor, including the amount to be retained from the Contract Sum, if any, for final completion or correction of the Work.

§ 3.6.6.4 The Architect shall forward to the Owner the following information received from the Contractor: (1) consent of surety or sureties, if any, to reduction in or partial release of retainage or the making of final payment; (2) affidavits, receipts, releases and waivers of liens or bonds indemnifying the Owner against liens; and (3) any other documentation required of the Contractor under the Contract Documents.

§ 3.6.6.5 Upon request of the Owner, and prior to the expiration of one year from the date of Substantial Completion, the Architect shall, without additional compensation, conduct a meeting with the Owner to review the facility operations and performance.

ARTICLE 4 OPTIONAL SERVICES AND ADDITIONAL SERVICES
§ 4.1 Optional Services listed below are not included in Basic Services but may be required for the Project. The Architect shall provide the listed Optional Services only if specifically designated in the table below as the Architect’s responsibility.
(Designate the Optional Services the Architect shall provide in the second column of the table below. In the third column indicate whether the service description is located in Section 4.2 or in an attached exhibit. If in an exhibit, identify the exhibit.)

<table>
<thead>
<tr>
<th>Optional Services</th>
<th>Responsibility (Architect, Owner or Not Provided)</th>
<th>Location of Service Description (Section 4.2 below or in an exhibit attached to this document and identified below)</th>
</tr>
</thead>
</table>

Init.

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User Notes:
§ 4.1.1 Programming (B202™-2009)  
§ 4.1.2 Multiple preliminary designs  
§ 4.1.3 Measured drawings  
§ 4.1.4 Existing facilities surveys  
§ 4.1.5 Site Evaluation and Planning (B203™-2007)  
§ 4.1.6 Building Information Modeling (E202™-2008)  
§ 4.1.7 Civil engineering  
§ 4.1.8 Landscape design  
§ 4.1.9 Architectural Interior Design (B252™-2007)  
§ 4.1.10 Value Analysis (B204™-2007)  
§ 4.1.11 Detailed cost estimating  
§ 4.1.12 On-site project representation (B207™-2008)  
§ 4.1.13 Conformed construction documents  
§ 4.1.14 As-designed record drawings  
§ 4.1.15 As-constructed record drawings  
§ 4.1.16 Post occupancy evaluation  
§ 4.1.17 Facility Support Services (B210™-2007)  
§ 4.1.18 Tenant-related services  
§ 4.1.19 Coordination of Owner's consultants  
§ 4.1.20 Telecommunications/data design  
§ 4.1.21 Security Evaluation and Planning (B206™-2007)  
§ 4.1.22 Commissioning (B211™-2007)  
§ 4.1.23 Extensive environmentally responsible design  
§ 4.1.24 LEED® Certification (B214™-2012)  
§ 4.1.25 Fast-track design services  
§ 4.1.26 Historic Preservation (B205™-2007)  
§ 4.1.27 Furniture, Furnishings, and Equipment Design (B253™-2007)  

§ 4.2 Insert a description of each Optional Service designated in Section 4.1 as the Architect’s responsibility, if not further described in an exhibit attached to this document.

§ 4.3 Additional Services may be provided after execution of this Agreement, without invalidating the Agreement. Except for services required due to the fault of the Architect, any Additional Services provided in accordance with this Section 4.3 shall entitle the Architect to compensation pursuant to Section 11.2 and an appropriate adjustment in the Architect’s schedule.

§ 4.3.1 Upon recognizing the need to perform the following Additional Services, the Architect shall notify the Owner with reasonable promptness and explain the facts and circumstances giving rise to the need. The Architect shall not proceed to provide the following services until the Architect receives the Owner’s written authorization:

1. Services necessitated by a change in the Initial Information, previous instructions or approvals given by the Owner, or a material change in the Project including, but not limited to, size, quality, complexity, security and system requirements as required by law.
.2 When the Owner has provided cost estimating services, making revisions in Drawings, Specifications, or other documents pursuant to Section 6.6;
.3 Services necessitated by the Owner's request for extensive environmentally responsible design alternatives, such as unique system designs, in-depth material research, energy modeling, or LEED® certification;
.4 Changing or editing previously prepared Instruments of Service necessitated by the enactment or revision of codes, laws or regulations or official interpretations;
.5 Services necessitated by decisions of the Owner not rendered in a timely manner or any other failure of performance on the part of the Owner or the Owner's consultants or contractors;
.6 Preparing digital data for transmission to the Owner's consultants and contractors, or to other Owner authorized recipients;
.7 Preparation of design and documentation for alternate bid or proposal requests proposed by the Owner;
.8 Preparation for, and attendance at, a public presentation, meeting or hearing;
.9 Preparation for, and attendance at a dispute resolution proceeding or legal proceeding, except where the Architect is party thereto;
.10 Evaluation of the qualifications of bidders or persons providing proposals;
.11 Consultation concerning replacement of Work resulting from fire or other cause during construction; or
.12 Assistance to the Initial Decision Maker, if other than the Architect.

§ 4.3.2 To avoid delay in the Construction Phase, the Architect shall provide the following Additional Services, notify the Owner with reasonable promptness, and explain the facts and circumstances giving rise to the need. If the Owner subsequently determines that all or parts of those services are not required, the Owner shall give prompt written notice to the Architect, and the Owner shall have no further obligation to compensate the Architect for those services:
.1 Reviewing a Contractor's submittal out of sequence from the submittal schedule agreed to by the Architect;
.2 Responding to the Contractor's requests for information that are not prepared in accordance with the Contract Documents or where such information is available to the Contractor from a careful study and comparison of the Contract Documents, field conditions, other Owner-provided information, Contractor-prepared coordination drawings, or prior Project correspondence or documentation;
.3 Preparing Change Orders that require evaluation of Contractor's proposals and supporting data, or the preparation or revision of Instruments of Service;
.4 Evaluating an extensive number of Claims as the Initial Decision Maker;
.5 Evaluating substitutions proposed by the Owner or Contractor and making subsequent revisions to Instruments of Service resulting therefrom; or
.6 To the extent the Architect's Basic Services are affected, providing Construction Phase Services 60 days after (1) the date of Substantial Completion of the Work or (2) the anticipated date of Substantial Completion identified in Initial Information, whichever is earlier.

§ 4.3.3 The Architect shall provide Construction Phase Services exceeding the limits set forth below as Additional Services. When the limits below are reached, the Architect shall notify the Owner:
.1 as necessary ( ) reviews of each Shop Drawing, Product Data item, sample and similar submittal of the Contractor
.2 at least once a month or as necessary ( ) visits to the site by the Architect over the duration of the Project during construction
.3 one ( ) inspections for any portion of the Work to determine whether such portion of the Work is substantially complete in accordance with the requirements of the Contract Documents
.4 zero ( ) inspections for any portion of the Work to determine final completion. NOTE: Final completion is determined by the Owner once all punchlist items have been completed by the Contractor to the Owner's satisfaction.

§ 4.3.4 If the services covered by this Agreement have not been completed within twenty-four (24) months of the date of this Agreement, through no fault of the Architect, extension of the Architect's services beyond that time shall be compensated as Additional Services.

Init. 10

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User Notes:
ARTICLE 5 OWNER’S RESPONSIBILITIES

§ 5.1 Unless otherwise provided for under this Agreement, the Owner shall provide information in a timely manner regarding requirements for and limitations on the Project, including a written program which shall set forth the Owner’s objectives, schedule, constraints and criteria, including space requirements and relationships, flexibility, expandability, special equipment, systems and site requirements. Within 15 days after receipt of a written request from the Architect, the Owner shall furnish the requested information as necessary and relevant for the Architect to evaluate, give notice of or enforce lien rights. If requested by the Architect, the Owner shall furnish evidence that financial arrangements have been made to fulfill the Owner’s obligations under this Agreement.

§ 5.2 The Owner shall establish and periodically update the Owner’s budget for the Project, including (1) the budget for the Cost of the Work as defined in Section 6.1; (2) the Owner’s other costs; and, (3) reasonable contingencies related to all of these costs. If the Owner significantly increases or decreases the Owner’s budget for the Cost of the Work, the Owner shall notify the Architect. The Owner and the Architect shall thereafter agree to a corresponding change in the Project’s scope and quality.

§ 5.3 The Owner shall identify a representative authorized to act on the Owner’s behalf with respect to the Project. The Owner shall render decisions and approve the Architect’s submittals in a timely manner in order to avoid unreasonable delay in the orderly and sequential progress of the Architect’s services.

§ 5.4 The Owner shall furnish surveys to describe physical characteristics, legal limitations and utility locations for the site of the Project, and a written legal description of the site. The surveys and legal information shall include, as applicable, grades and lines of streets, alleys, pavements and adjoining property and structures; designated wetlands; adjacent drainage; rights-of-way, restrictions, easements, encroachments, zoning, deed restrictions, boundaries and contours of the site; locations, dimensions and necessary data with respect to existing buildings, other improvements and trees; and information concerning available utility services and lines, both public and private, above and below grade, including inverted and depths. All the information on the survey shall be referenced to a Project benchmark.

§ 5.5 The Owner shall furnish services of geotechnical engineers, which may include but are not limited to test borings, test pits, determinations of soil bearing values, percolation tests, evaluations of hazardous materials, seismic evaluation, ground corrosion tests and resistivity tests, including necessary operations for anticipating subsoil conditions, with written reports and appropriate recommendations.

§ 5.6 The Owner shall coordinate the services of its own consultants with those services provided by the Architect. Upon the Architect’s request, the Owner shall furnish copies of the scope of services in the contracts between the Owner and the Owner’s consultants. The Owner shall furnish the services of consultants other than those designated in this Agreement when the Architect requests such services and demonstrates that they are reasonably required by the scope of the Project. The Owner shall require that its consultants maintain professional liability insurance as appropriate to the services provided.

§ 5.7 The Owner shall furnish tests, inspections and reports required by law or the Contract Documents, such as structural, mechanical, and chemical tests, tests for air and water pollution, and tests for hazardous materials.

§ 5.8 The Owner shall furnish all legal, insurance and accounting services, including auditing services, that may be reasonably necessary at any time for the Project to meet the Owner’s needs and interests.

§ 5.9 The Owner shall provide prompt written notice to the Architect if the Owner becomes aware of any fault or defect in the Project, including errors, omissions or inconsistencies in the Architect’s Instruments of Service.

§ 5.10 The Owner shall promptly notify the Architect of any direct communications between the Owner and the Contractor that may affect the Architect’s services.

§ 5.11 Before executing the Contract for Construction, the Owner shall coordinate the Architect’s duties and responsibilities set forth in the Contract for Construction with the Architect’s services set forth in this Agreement. The Owner shall provide the Architect a copy of the executed agreement between the Owner and Contractor, including the General Conditions of the Contract for Construction.
§ 5.12 The Owner shall provide the Architect access to the Project site prior to commencement of the Work and shall obligate the Contractor to provide the Architect access to the Work wherever it is in preparation or progress.

§ 5.13 The Owner, unless otherwise provided in Article 12, shall furnish all legal, accounting, planning, and other services and expenses required to prepare, present and process any application for governmental or private financing, mortgage insurance or subsidy.

ARTICLE 6 COST OF THE WORK
§ 6.1 For purposes of this Agreement, the Cost of the Work shall be the total cost to the Owner to construct all elements of the Project designed or specified by the Architect and shall include contractors' general conditions costs, overhead and profit. The Cost of the Work does not include the compensation of the Architect, the costs of the land, rights-of-way, financing, contingencies for changes in the Work or other costs that are the responsibility of the Owner.

§ 6.2 The Owner's budget for the Cost of the Work is provided in Initial Information, and may be adjusted throughout the Project as required under Section 5.2. Evaluations of the Owner's budget for the Cost of the Work, the preliminary estimate of the Cost of the Work and updated estimates of the Cost of the Work represent the Architect's judgment as a design professional. It is recognized, however, that neither the Architect nor the Owner has control over the cost of labor, materials or equipment; the Contractor's methods of determining bid prices; or competitive bidding, market or negotiating conditions. Accordingly, the Architect cannot and does not warrant or represent that bids or negotiated prices will not vary from the Owner's budget for the Cost of the Work or from any estimate of the Cost of the Work agreed to by the Architect.

§ 6.3 If the Owner is providing cost estimating services, the estimate of the Cost of the Work shall include appropriate contingencies for design, bidding or negotiating, price escalation, and market conditions. The Owner shall provide estimates of the Cost of the Work at intervals agreed upon by the Owner and the Architect. The Architect shall be entitled to rely on the accuracy and completeness of estimates of the Cost of the Work as the Architect progresses with its Basic Services. The Architect shall prepare, as an Additional Service, revisions to the Drawings, Specifications or other documents required due to inaccuracies or incompleteness in the Owner's cost estimates. The Architect may review the estimates solely for the Architect's guidance in completion of its services, however, the Architect shall report to the Owner any material inaccuracies and inconsistencies noted during any such review.

§ 6.4 If the Architect is preparing estimates of the Cost of the Work, the Architect shall be permitted to include contingencies for design, bidding and price escalation; to determine what materials, equipment, component systems and types of construction are to be included in the Contract Documents; to make reasonable adjustments in the program and scope of the Project; and to include in the Contract Documents alternate bids as may be necessary to adjust the estimated Cost of the Work to meet the Owner's budget for the Cost of the Work. The Architect shall provide an initial estimate of the Cost of the Work at the conclusion of the Schematic Design Phase. The Architect shall update the estimate of the Cost of the Work at the conclusion of the Design Development and Construction Documents Phases.

§ 6.5 If the Owner's budget for the Cost of the Work at the conclusion of the Construction Documents Phase Services is exceeded by the lowest bona fide bid or negotiated proposal, the Owner shall
  .1 give written approval of an increase in the budget for the Cost of the Work;
  .2 authorize rebidding or renegotiating of the Project within a reasonable time;
  .3 terminate in accordance with Section 9.5;
  .4 in consultation with the Architect, revise the Project program, scope, or quality as required to reduce the Cost of the Work; or
  .5 implement any other mutually acceptable alternative.

§ 6.6 If the Owner chooses to proceed under Section 6.5.4, the Architect, subject to Section 4.3, shall modify the Construction Documents as necessary to comply with the Owner's budget for the Cost of the Work at the conclusion of the Construction Documents Phase Services, or the budget as adjusted under Section 6.5.1. The Architect's modification of the Construction Documents shall be the limit of the Architect's responsibility under this Article 6.
ARTICLE 7 COPYRIGHTS AND LICENSES
§ 7.1 The Architect and the Owner warrant that in transmitting Instruments of Service, or any other information, the transmitting party is the copyright owner of such information or has permission from the copyright owner to transmit such information for its use on the Project. If the Owner and Architect 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.

§ 7.2 The Architect and the Architect’s consultants shall be deemed the authors and owners of their respective Instruments of Service, including the Drawings and Specifications, and shall retain all common law, statutory and other reserved rights, including copyrights. Submission or distribution of Instruments of Service to meet official regulatory requirements or for similar purposes in connection with the Project is not to be construed as publication in derogation of the reserved rights of the Architect and the Architect’s consultants.

§ 7.3 Upon execution of this Agreement, the Architect grants to the Owner a nonexclusive license to use the Architect’s Instruments of Service solely and exclusively for purposes of constructing, using, maintaining, altering and adding to the Project, provided that the Owner substantially performs its obligations, including prompt payment of all sums when due, under this Agreement. The Architect shall obtain similar nonexclusive licenses from the Architect’s consultants consistent with this Agreement. The license granted under this section permits the Owner to authorize the Contractor, Subcontractors, Sub-subcontractors, and material or equipment suppliers, as well as the Owner’s consultants and separate contractors, to reproduce applicable portions of the Instruments of Service solely and exclusively for use in performing services or construction for the Project. If the Architect rightfully terminates this Agreement for cause as provided in Section 9.4, the license granted in this Section 7.3 shall terminate.

§ 7.3.1 In the event the Owner uses the Instruments of Service without retaining the author of the Instruments of Service, the Owner releases the Architect and Architect’s consultant(s) from all claims and causes of action arising from such uses. The Owner, to the extent permitted by law, further agrees to indemnify and hold harmless the Architect and its consultants from all costs and expenses, including the cost of defense, related to claims and causes of action asserted by any third person or entity to the extent such costs and expenses arise from the Owner’s use of the Instruments of Service under this Section 7.3.1. The terms of this Section 7.3.1 shall not apply if the Owner rightfully terminates this Agreement for cause under Section 9.4.

§ 7.4 Except for the licenses granted in this Article 7, no other license or right shall be deemed granted or implied under this Agreement. The Owner shall not assign, delegate, sublicense, pledge or otherwise transfer any license granted herein to another party without the prior written agreement of the Architect. Any unauthorized use of the Instruments of Service shall be at the Owner’s sole risk and without liability to the Architect and the Architect’s consultants.

ARTICLE 8 CLAIMS AND DISPUTES
§ 8.1 General
§ 8.1.1 The Owner and Architect shall commence all claims and causes of action, whether in contract, tort, or otherwise, against the other arising out of or related to this Agreement in accordance with the requirements of the method of binding dispute resolution selected in this Agreement within the 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 and Architect waive all claims and causes of action not commenced in accordance with this Section 8.1.1.

§ 8.1.2 To the extent damages are covered by property insurance, the Owner and Architect waive all rights against each other and against the contractors, consultants, agents and employees of the other for damages, except such rights as they may have to the proceeds of such insurance as set forth in AIA Document A201–2007, General Conditions of the Contract for Construction. The Owner or the Architect, as appropriate, shall require of the contractors, consultants, agents and employees of any of them similar waivers in favor of the other parties enumerated herein.

§ 8.1.3 The Architect and Owner waive consequential damages for claims, disputes or other matters in question arising out of or relating to this Agreement. This mutual waiver is applicable, without limitation, to all consequential damages due to either party’s termination of this Agreement, except as specifically provided in Section 9.7.
§ 8.2 Mediation
§ 8.2.1 Any claim, dispute or other matter in question arising out of or related to this Agreement shall be subject to
mediation as a condition precedent to binding dispute resolution. If such matter relates to or is the subject of a lien
arising out of the Architect's services, the Architect may proceed in accordance with applicable law to comply with
the lien notice or filing deadlines prior to resolution of the matter by mediation or by binding dispute resolution.

§ 8.2.2 The Owner and Architect shall endeavor to resolve claims, disputes and other matters in question between
them 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. A request for mediation shall be made in writing, delivered to the other party to the Agreement, and
filed with the person or entity administering the mediation. The request may be made concurrently with the filing of
a complaint or other appropriate demand for binding dispute resolution but, in such event, mediation shall proceed in
advance of binding dispute resolution proceedings, which shall be stayed pending mediation for a period of 60 days
from the date of filing, unless stayed for a longer period by agreement of the parties or court order. If an arbitration
proceeding is stayed pursuant to this section, the parties may nonetheless proceed to the selection of the arbitrator(s)
and agree upon a schedule for later proceedings.

§ 8.2.3 The parties shall share the mediator's fee and any filing fees equally. The mediation shall be held in the place
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.

§ 8.2.4 If the parties do not resolve a dispute through mediation pursuant to this Section 8.2, the method of binding
dispute resolution shall be the following:

[ X ] Arbitration pursuant to Section 8.3 of this Agreement
[ ] Litigation in a court of competent jurisdiction
[ ] Other (Specify)

§ 8.3 Arbitration
§ 8.3.1 If the parties have selected arbitration as the method for binding dispute resolution in this Agreement, any
claim, dispute or other matter in question arising out of or related to this Agreement subject to, but not resolved by,
mediation shall be subject to arbitration which, unless the parties 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 this Agreement. A demand for arbitration shall be made in writing, delivered to the other party to this
Agreement, and filed with the person or entity administering the arbitration.

§ 8.3.1.1 A demand for arbitration shall be made no earlier than concurrently with the filing of a request for
mediation, but in no event shall it be made after the date when the institution of legal or equitable proceedings based
on the claim, dispute or other matter in question 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, dispute or other
matter in question.

§ 8.3.2 The foregoing agreement to arbitrate and other agreements to arbitrate with an additional person or entity
duly consented to by parties to this Agreement shall be specifically enforceable in accordance with applicable law in
any court having jurisdiction thereof.

§ 8.3.3 The award rendered by the arbitrator(s) shall be final, and judgment may be entered upon it in accordance
with applicable law in any court having jurisdiction thereof.
§ 8.3.4 Consolidation or Joinder
§ 8.3.4.1 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 arbitrators.

§ 8.3.4.2 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.

§ 8.3.4.3 The Owner and Architect grant to any person or entity made a party to an arbitration conducted under this Section 8.3, whether by joinder or consolidation, the same rights of joinder and consolidation as the Owner and Architect under this Agreement.

ARTICLE 9 TERMINATION OR SUSPENSION
§ 9.1 If the Owner fails to make payments to the Architect in accordance with this Agreement, such failure shall be considered substantial nonperformance and cause for termination or, at the Architect's option, cause for suspension of performance of services under this Agreement. If the Architect elects to suspend services, the Architect shall give seven days' written notice to the Owner before suspending services. In the event of a suspension of services, the Architect shall have no liability to the Owner for delay or damage caused the Owner because of such suspension of services. Before resuming services, the Architect shall be paid all sums due prior to suspension and any expenses incurred in the interruption and resumption of the Architect's services. The Architect's fees for the remaining services and the time schedules shall be equitably adjusted.

§ 9.2 If the Owner suspends the Project, the Architect shall be compensated for services performed prior to notice of such suspension. When the Project is resumed, the Architect shall be compensated for expenses incurred in the interruption and resumption of the Architect's services. The Architect's fees for the remaining services and the time schedules shall be equitably adjusted.

§ 9.3 If the Owner suspends the Project for more than 90 cumulative days for reasons other than the fault of the Architect, the Architect may terminate this Agreement by giving not less than seven days' written notice.

§ 9.4 Either party may terminate this Agreement upon not less than seven days' written notice should the other party fail substantially to perform in accordance with the terms of this Agreement through no fault of the party initiating the termination.

§ 9.5 The Owner may terminate this Agreement upon not less than seven days' written notice to the Architect for the Owner's convenience and without cause.

§ 9.6 In the event of termination not the fault of the Architect, the Architect shall be compensated for services performed prior to termination, together with Reimbursable Expenses then due and all Termination Expenses as defined in Section 9.7.

§ 9.7 Termination Expenses are in addition to compensation for the Architect's services and include expenses directly attributable to termination for which the Architect is not otherwise compensated, plus an amount for the Architect's anticipated profit on the value of the services not performed by the Architect.

§ 9.8 The Owner's rights to use the Architect's Instruments of Service in the event of a termination of this Agreement are set forth in Article 7 and Section 11.6.

ARTICLE 10 MISCELLANEOUS PROVISIONS
§ 10.1 This Agreement shall be governed by the law of the place where the Project is located, except that if the parties have selected arbitration as the method of binding dispute resolution, the Federal Arbitration Act shall govern Section 8.3.
§ 10.2 Terms in this Agreement shall have the same meaning as those in AIA Document A201–2007, General Conditions of the Contract for Construction.

§ 10.3 The Owner and Architect, respectively, bind themselves, their agents, successors, assigns and legal representatives to this Agreement. Neither the Owner nor the Architect shall assign this Agreement without the written consent of the other, except that the Owner may assign this Agreement to a lender providing financing for the Project if the lender agrees to assume the Owner’s rights and obligations under this Agreement.

§ 10.4 If the Owner requests the Architect to execute certificates, the proposed language of such certificates shall be submitted to the Architect for review at least 14 days prior to the requested dates of execution. If the Owner requests the Architect to execute consents reasonably required to facilitate assignment to a lender, the Architect shall execute all such consents that are consistent with this Agreement, provided the proposed consent is submitted to the Architect for review at least 14 days prior to execution. The Architect shall not be required to execute certificates or consents that would require knowledge, services or responsibilities beyond the scope of this Agreement.

§ 10.5 Nothing contained in this Agreement shall create a contractual relationship with or a cause of action in favor of a third party against either the Owner or Architect.

§ 10.6 Unless otherwise required in this Agreement, the Architect shall have no responsibility for the discovery, presence, handling, removal or disposal of, or exposure of persons to, hazardous materials or toxic substances in any form at the Project site.

§ 10.7 The Architect shall have the right to include photographic or artistic representations of the design of the Project among the Architect’s promotional and professional materials. The Architect shall be given reasonable access to the completed Project to make such representations. However, the Architect’s materials shall not include the Owner’s confidential or proprietary information if the Owner has previously advised the Architect in writing of the specific information considered by the Owner to be confidential or proprietary. The Owner shall provide professional credit for the Architect in the Owner’s promotional materials for the Project.

§ 10.8 If the Architect or Owner receives information specifically designated by the other party as “confidential” or “business proprietary,” the receiving party shall keep such information strictly confidential and shall not disclose it to any other person except to (1) its employees, (2) those who need to know the content of such information in order to perform services or construction solely and exclusively for the Project, or (3) its consultants and contractors whose contracts include similar restrictions on the use of confidential information.

ARTICLE 11 COMPENSATION

§ 11.1 For the Architect’s Basic Services described under Article 3 and Optional Services described under Section 4.1, the Owner shall compensate the Architect as follows:

(Insert stipulated amount of compensation.)

The Architect will be paid a lump sum fee of $5,000.00 upon delivery of the Preliminary Design Documents package.

The Architect will receive a payment on or before July 15, 2018 for 50% of the design fee. A second payment will be issued on or before October 31, 2018 for the remaining 25% of the design phase. The remaining 25% during construction phase will be paid monthly based on the percentage complete according to the pay application submitted by the General Contractor.

§ 11.2 For Additional Services that may arise during the course of the Project, including those under Section 4.3, the Owner shall compensate the Architect as follows regardless of whether federal funding or federally guaranteed insurance is available:

(Insert amount of, or basis for, compensation.)

On an hourly basis according to attached Hourly Rate Schedule.

§ 11.2.1 Compensation for Additional Services of the Architect’s consultants when not included in Section 11.2 shall be the amount invoiced to the Architect plus zero (0%), or as otherwise stated below:

Init.

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This document was produced by AIA software at 16:23:04 on 02/28/2018 under Order No. 1529869737 which expires on 09/14/2018, and is not for resale.

User Notes:
§ 11.4 The hourly billing rates for services of the Architect and the Architect’s consultants, if any, are set forth below. The rates shall be adjusted in accordance with the Architect’s and Architect’s consultants’ normal review practices.

(If applicable, attach an exhibit of hourly billing rates or insert them below.)

See attached Hourly Rate Schedule

<table>
<thead>
<tr>
<th>Employee or Category</th>
<th>Rate ($0.00)</th>
</tr>
</thead>
</table>

§ 11.5 Compensation for Reimbursable Expenses

§ 11.5.1 Reimbursable Expenses are in addition to compensation for Basic, Optional, and Additional Services, and include expenses incurred by the Architect and the Architect’s consultants directly related to the Project, as follows:

1. Transportation and authorized out-of-town travel and subsistence;
2. Long distance services, dedicated data and communication services, teleconferences, Project Web sites, and extranets;
3. Fees paid for securing approval of authorities having jurisdiction over the Project;
4. Printing, reproductions, plots, standard form documents;
5. Postage, handling and delivery;
6. Expense of overtime work requiring higher than regular rates, if authorized in advance by the Owner;
7. Renderings, models, mock-ups, professional photography, and presentation materials requested by the Owner;
8. Architect’s Consultant’s expense of professional liability insurance dedicated exclusively to this Project, or the expense of additional insurance coverage or limits if the Owner requests such insurance in excess of that normally carried by the Architect’s consultants;
9. All taxes levied on professional services and on reimbursable expenses;
10. Site office expenses; and
11. Other similar Project-related expenditures.

§ 11.5.2 For Reimbursable Expenses the Owner shall compensate the Architect as follows regardless of whether federal funding or federally guaranteed insurance is available. Compensation for Reimbursable Expenses shall be the expenses incurred by the Architect and the Architect’s consultants plus zero (0%) of the expenses incurred.

§ 11.6 Compensation for Use of Architect’s Instruments of Service

If the Owner terminates the Architect for its convenience under Section 9.5, or the Architect terminates this Agreement under Section 9.3, the Owner shall pay a licensing fee as compensation for the Owner’s continued use of the Architect’s Instruments of Service solely for purposes of completing, using and maintaining the Project as follows:

N/A

§ 11.7 Payments to the Architect

§ 11.7.1 An initial payment of zero ($0) shall be made upon execution of this Agreement and is the minimum payment under this Agreement. It shall be credited to the Owner’s account in the final invoice.

§ 11.7.2 Unless otherwise agreed, payments for services shall be made monthly in proportion to services performed. Payments are due and payable upon presentation of the Architect’s invoice. Amounts unpaid fifteen (15) days
after the invoice date shall bear interest at the rate entered below, or in the absence thereof at the legal rate prevailing from time to time at the principal place of business of the Architect.

(Insert rate of monthly or annual interest agreed upon.)

6 % annum

§ 11.7.3 The Owner shall not withhold amounts from the Architect's compensation to impose a penalty or liquidated damages on the Architect, or to offset sums requested by or paid to contractors for the cost of changes in the Work unless the Architect agrees or has been found liable for the amounts in a binding dispute resolution proceeding.

§ 11.7.4 Records of Reimbursable Expenses, expenses pertaining to Additional Services, and services performed on the basis of hourly rates shall be available to the Owner at mutually convenient times.

ARTICLE 12 SPECIAL TERMS AND CONDITIONS

Special terms and conditions that modify this Agreement are as follows:

The Owner will pay the Architect in phases as outlined in attached Exhibit A of this contract. The Architect will not release drawings or move forward on the project until required payments have been made by the Owner. Renderings and graphics necessary for job signs, marketing, leasing brochures, property management website, ribbon cutting ceremony signs, or presentations are not included in this contract amount. Long Architecture will provide these items to the Owner for an additional lump sum fee of $5,000.00, and will be invoiced separately. Payment for these items will be expected at time of delivery of the items to the Owner.

Interior design services are not included in this contract. If the Owner contracts these services separately, the Owner and/or the design firm contracted is responsible for contacting Long Architecture with their contact information to obtain any construction drawings needed to complete their Construction Documents.

This contract does not include any fees for LEED Certification or documentation services. If it is determined that LEED Certification is necessary, fees for those services will be negotiated at that time.

A 9 month and 12 month warranty inspection is included in the Basic Services for this contract. It is the Owner/Contractor's responsibility to notify the Architect of the date and time of these inspections.

ARTICLE 13 SCOPE OF THE AGREEMENT

§ 13.1 This Agreement represents the entire and integrated agreement between the Owner and the Architect and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended only by written instrument signed by both Owner and Architect.

§ 13.2 This Agreement is comprised of the following documents listed below:

1. AIA Document B103™ - 2009, Standard Form of Agreement Between Owner and Architect for a Federally Funded or Federally Insured Project

2. AIA Document E203-2013 Building Information Modeling and Digital Data Exhibit, if completed, or the following:

3. Other documents:
   (List other documents, if any, including additional scopes of service and agency-required documents, if any, forming part of the Agreement.)

Exhibit A,
Long Architecture Hourly Rate Schedule
AIA Document G201-2013 Project Digital Data Protocol Form

This Agreement entered into as of the day and year first written above.
<table>
<thead>
<tr>
<th>OWNER (Signature)</th>
<th>ARCHITECT (Signature)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Christopher Akbari President</td>
<td>Cade Spell President</td>
</tr>
</tbody>
</table>

(Printed name and title)
Certification of Document's Authenticity
AIA® Document D401™ – 2003

I, Cade Spell, hereby certify, to the best of my knowledge, information and belief, that I created the attached final document simultaneously with its associated Additions and Deletions Report and this certification at 13:19:01 on 01/26/2018 under Order No. 1526985737 from AIA Contract Documents software and that in preparing the attached final document I made no changes to the original text of AIA® Document B108™ - 2009, Standard Form of Agreement Between Owner and Architect for a Federally Funded or Federally Insured Project, as published by the AIA in its software, other than those additions and deletions shown in the associated Additions and Deletions Report.

(Signed)

PRESIDENT

(Title)

01-26-2018

(Dated)
January 15, 2018

Authorized Agent
Kountze Pines at Allen Street, LP
3735 Honeywood Court
Port Arthur, Texas 77642

REF: Proposal for Architectural Services for The Pines at Allen Street in Kountze, Texas

Dear Authorized Agent:

Following is a Fee breakdown, by phase, for the Preliminary Services and Design and Construction Phases for The Pines at Allen Street in Kountze, Texas. These Fees represent the total Fees for the project, including the buildings and amenities, the Preparation of the initial Proposals for the project, all Work necessary for the Design and Production of Construction Documents, and Construction Observation services. Following is a more specific and detailed enumeration of the services to be performed.

Preliminary Services Fee: $ 5,000.00
Design and Construction Fee: $150,000.00
Total Project Fee: $155,000.00

Fee for Preliminary Services provided by Architect as follows:

**Architectural Drawings:**
Site plan with the number of units and unit mix specified in the “Rent Schedule” provided in the Owner's TDHCA application, the number of buildings and building type/unit mix specified in the “Building/Unit configuration” provided in the Owner’s TDHCA application, all residential and common buildings identified, clearly delineated flood plain boundary lines where applicable, all easements shown where applicable, placement of detention/retention ponds indicated if applicable, and location of the parking spaces and drives.

Building Floor plans and elevations for each type of residential building and each common area building clearly depicting the height of each floor, a percentage estimate of the exterior composition, and square footages of common areas.

Unit Floor Plans for each type of unit. The Net Rentable Areas of the Unit floor plans which are consistent with those shown in the “Rent Schedule” and “Building/Unit Configuration” provided in the Owner's TDHCA application.

**Lump Sum Fee of $5,000.00 to be paid in full at delivery of Preliminary Design Services.**
The Fee for the Design and Construction Services provided by the Architect, MEP Engineer, Civil and Structural Engineering, and Landscape Architect are as follows:

**Total Lump Sum Fee:** $150,000.00 to be broken down as:

- **Design Services:** $112,500.00
- **Construction Services:** $37,500.00

**Construction Documents Design Costs After Submission To Lender's Architectural Analyst:**

- 45% $67,500.00
- 30% $45,000.00
- 25% $37,500.00

**TOTAL:** 100% $150,000.00

The Owner will pay the Architect in phases as outlined above on this Attachment A. The Architect will not release drawings or move forward on the project until required payments have been made by the Owner.

If the project is not selected by TDHCA, after the preliminary drawings have been presented to TDHCA and the Architect has been paid the $5,000.00 Preliminary Design Services fee, the contract will be terminated.

I am in agreement with the services outlined above for a total project fee of $150,000.00 (one hundred fifty thousand dollars and no/100).

[Signature]

Authorized Agent

[Signature]

Date
February 27, 2018

Kountze Pines at Allen Street, LP
Attn: Donald Ball
3735 Honeywood Court
Port Arthur, Texas 77642

Ref: Pines at Allen Street, TDHCA #18283, Critical Path for Architect’s Design Services

Dear Mr. Ball:

Long Architecture is pleased to have been selected to complete design services for the Pines at Allen Street project. The conceptual designs have been completed and the Critical Path Schedule to complete design and secure all necessary permits prior to October 31, 2018 is attached.

Feel free to contact our office with any questions or comments you may have.

Most sincerely,

Cade Spell AIA, President
Long Architecture
## Critical Path Schedule for Pines at Allen Street Apartments in Kountze, Texas

<table>
<thead>
<tr>
<th>Discipline</th>
<th>Entity</th>
<th>Apr-'18</th>
<th>May-'18</th>
<th>Jun-'18</th>
<th>Jul-'18</th>
<th>Aug-'18</th>
<th>Sept-'18</th>
<th>Oct-'18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Architect</td>
<td>Long Architecture</td>
<td>1</td>
<td>16</td>
<td></td>
<td>1</td>
<td>16</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Civil Engineer</td>
<td>Soutex Surveyor &amp; Engineers</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mech/Elec/Plumb Engineer</td>
<td>HE Consulting, Inc.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Structural Engineer</td>
<td>Fittz &amp; Shipman, Inc.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Landscaping</td>
<td>Studio 9612</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Owner</td>
<td>Kountze Pines at Allen St., LP</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Phases:
- **Design Development Phase**
- **Construction Documents Phase**
- **Permitting Phase**
- **Begin Closing Phase**
February 21, 2018

Nautical Affordable Housing, Inc.
Attn: Donald R. Ball
1885 E. Farragut Ave
Orange, TX 77630

ICON Builders, LLC
Attn: Kevin Hardy
3735 Honeywood Court
Port Arthur, TX 77642

Re: Kountze Pines at Allen Street, LP – Selection of General Contractor and Prime Subcontractor

Dear Mr. Ball and Mr. Hardy:

This letter is to confirm Nautical Affordable Housing, Inc. has been chosen as the General Contractor and ICON Builders, LLC as the Prime Subcontractor for Kountze Pines at Allen Street, LP’s development called Pines at Allen Street.

The Construction Agreement will be signed on or before October 30, 2018.

If you have any questions or concerns, please feel free to contact me at 832-941-5343.

Sincerely,

Christopher A. Akbari
Co-Developer
February 28, 2018

Kountze Pines at Allen Street, LP
C/o ITEX Group
3735 Honeywood Court
Port Arthur, Texas 77642

Attn: Mrs. Miranda Sprague

Re: Proposal for Geotechnical Investigation for
Pines at Allen Street
Kountze, Texas

Science Engineering, Ltd. (SEL) is pleased to submit the following proposal for a soil and foundation investigation. The purpose of the study is to explore subsurface soil conditions and to develop recommendations for the design of the foundation and paving of the proposed project referenced above.

Field exploration will consist of seventeen (17) core borings; with eleven (11) drilled to depths of approximately twenty (20) feet and six (6) drilled to depths of approximately five (5) feet below existing ground surface. Suitable representative portions of all samples will be sealed and packaged for transportation to our laboratory. A laboratory testing program will be planned to determine the pertinent physical properties of the foundation soils. An engineering analysis will be made of the field and laboratory data. From this analysis, recommendations for foundation design criteria will be developed. The findings, conclusions and recommendations of SEL will be presented in an engineering report.

The estimated cost of this service will not exceed $9,500.00 without your prior approval.

Upon your acceptance of this estimate, we will begin the field exploration. The investigation will be completed subsuming a written report within the following two weeks.

Respectfully submitted for the firm; Accepted By:

Yousef Rahmani, P.E.
President

Miranda Sprague 2/28/18
Signature Date

Miranda Sprague, Authorized Representative
Printed Name

P.O. Box 2048 / Nederland, Texas 77627 / Tel.: (409) 982-0686 or (409) 727-2218
Fax: (409) 982-0619 / e-mail: yousef@science-engineer.com
February 22, 2018

Miranda Ashline
Kountze Pines at Allen Street, LP
3735 Honeywood Court
Port Arthur, TX 77642

Re: Storm Water Pollution Prevention Plan (SWPPP) to serve the Pines at Allen Street, LP, Kountze, Texas.

SWPPP (Greater than 5 acres) $900.00

Our firm will prepare a Storm Water Pollution Prevention Plan (SWPPP) packet for a jobsite greater than 5 acres per the TCEQ. (Any permitting fees will be in addition to this fee)

If you have any questions or concerns regarding this proposal, please let me know.

For the Firm,

Jeremy Mitchell, P.E., R.P.L.S.

For the Client,

Miranda Sprague 2/27/18
Signature Date

Printed Name & Title:
Miranda Sprague Authorized Representative

Billing Address
3735 Honeywood Ct
Port Arthur, TX 77642
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>12.62</td>
<td>12.62</td>
<td>N/A</td>
<td>12.62</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:

<table>
<thead>
<tr>
<th>N/A</th>
</tr>
</thead>
</table>

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>S &amp; M Affiliated, Inc.</td>
<td>David Smallwood</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>3033 Bush Drive</td>
<td>Kountze</td>
<td>TX</td>
<td>77625</td>
<td>8/12/2015</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>Catchmark HBU, LLC</td>
<td>None</td>
</tr>
</tbody>
</table>

Site Control is in the form of:

1. **X** Contract for sale.
2. Recorded Warranty Deed with corresponding executed closing/settlement statement.
3. **X** Contract for lease.

Expiration of Contract or Option: 5/31/2019  
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)**

Development qualifies for the boost for:

- Qualified Census tract that has less than 20% HTC Units per household
- Development is located in a Small Area Difficult Development Area (SADDA)
- Rural Development *(Competitive HTC only)*
- Development is entirely Supportive Housing *(Competitive HTC Only)*
- Development meets the criteria for the Opportunity Index as identified in §11.9(c)(4) of the Qualified Allocation Plan *(Competitive HTC only)*
- 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. *(Competitive HTC only)*
- Development includes an additional 10% of units at 30% AMI. *Must be in addition to the number of units needed for any scoring item or any other funding source from MF Direct Loan requirements. (Competitive HTC only)*
- 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**

** Resolution not due until Resolutions Delivery Date for Tax-Exempt Bond Developments

If a revised form is submitted, date of submission:  

Support Documentation from Site Information Part III Should be Included Behind this Tab.

- **X** Site Control Documentation
- **X** Title Commitment or Policy
- **N/A** Each of the Direct Loan exhibits identified below (as applicable)

Increase in Eligible Basis (30% Boost)

- **N/A** Resolution from the Governing Body of the appropriate municipality or county allowing the construction of the Development, if applicable.

- **N/A** 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.

- **N/A** 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.

- **N/A** 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.

- **N/A** 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.

- **N/A** 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.

- **N/A** 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.
1. PARTIES: Seller agrees to sell and convey to Buyer the Property described in Paragraph 2. Buyer agrees to buy the Property from Seller for the sales price stated in Paragraph 3. The parties to this contract are:

**Seller:** S & M Affiliated, Inc.

- **Address:** 3033 Bush Dr., Kountze, TX 77625
- **Phone:** (409) 658-0262
- **E-mail:** Dav_saranch@yahoo.com
- **Fax:** Other:

**Buyer:** Premiere Affordable Housing, LLC

- **Address:** 1885 E. Farragut St., Orange, TX 77630
- **Phone:** (409) 988-1851
- **E-mail:** dball1@gt.rr.com
- **Fax:** Other:

2. PROPERTY:

A. "Property" means that real property situated in Hardin County, Texas at 001 Allen St. and 002 Allen St. and that is legally described on the attached Exhibit N/A or as follows:

- Being a 7.13 acre tract out of AB 544 J A Christie; heretofore known as "Tract A" (001 Allen St.)
- Being a 5.48 acre tract out of AB 544 J A Christie; heretofore known as "Tract B" (002 Allen St.)

B. Seller will sell and convey the Property together with:

1. all rights, privileges, and appurtenances pertaining to the Property, including Seller’s right, title, and interest in any minerals, utilities, adjacent streets, alleys, strips, gores, and rights-of-way;
2. Seller’s interest in all leases, rents, and security deposits for all or part of the Property; and
3. Seller’s interest in all licenses and permits related to the Property.

*(Describe any exceptions, reservations, or restrictions in Paragraph 12 or an addendum.)*

*(If mineral rights are to be reserved an appropriate addendum should be attached.)*

3. SALES PRICE:

A. At or before closing, Buyer will pay the following sales price for the Property:

1. **Cash portion payable by Buyer at closing:** $0.00
2. **Sum of all financing described in Paragraph 4:** $110,388.00
3. **Sales price (sum of 3A(1) and 3A(2))** $110,388.00
B. Adjustment to Sales Price: (Check (1) or (2) only.)

☑ (1) The sales price will not be adjusted based on a survey.

☐ (2) The sales price will be adjusted based on the latest survey obtained under Paragraph 6B.

(a) The sales price is calculated on the basis of $N/A________ per:
☐ (i) square foot of ☐ total area ☐ net area.
☐ (ii) acre of ☐ total area ☐ net area.

(b) "Total area" means all land area within the perimeter boundaries of the Property. "Net area" means total area less any area of the Property within:
☐ (i) public roadways;
☐ (ii) rights-of-way and easements other than those that directly provide utility services to the Property; and
☐ (iii) N/A___________________________________________.

(c) If the sales price is adjusted by more than N/A____% of the stated sales price, either party may terminate this contract by providing written notice to the other party within N/A____ days after the terminating party receives the survey. If neither party terminates this contract or if the variance is less than the stated percentage, the adjustment to the sales price will be made to the cash portion of the sales price payable by Buyer.

4. FINANCING: Buyer will finance the portion of the sales price under Paragraph 3A(2) as follows:

☑ A. Third Party Financing: One or more third party loans in the total amount of $________________________. This contract:
☐ (1) is not contingent upon Buyer obtaining third party financing.
☑ (2) is contingent upon Buyer obtaining third party financing in accordance with the attached Commercial Contract Financing Addendum (TAR-1931).

☐ B. Assumption: In accordance with the attached Commercial Contract Financing Addendum (TAR-1931), Buyer will assume the existing promissory note secured by the Property, which balance at closing will be $________________________.

☐ C. Seller Financing: The delivery of a promissory note and deed of trust to Seller under the terms of the attached Commercial Contract Financing Addendum (TAR-1931) in the amount of $________________________.

5. EARNEST MONEY:

A. Not later than 3 days after the effective date, Buyer must deposit $10,000.00 as earnest money with Texas Regional Title Co. at 7675 Folsom Drive, Bldg. 100, Beaumont, Tx. 77706 (address) Molly Mallet (closer). If Buyer fails to timely deposit the earnest money, Seller may terminate this contract or exercise any of Seller's other remedies under Paragraph 15 by providing written notice to Buyer before Buyer deposits the earnest money.

B. Buyer will deposit an additional amount of $0.00 with the title company to be made part of the earnest money on or before:
☐ (i) N/A____ days after Buyer's right to terminate under Paragraph 7B expires; or
☐ (ii) N/A____

Buyer will be in default if Buyer fails to deposit the additional amount required by this Paragraph 5B within 3 days after Seller notifies Buyer that Buyer has not timely deposited the additional amount.
C. Buyer may instruct the title company to deposit the earnest money in an interest-bearing account at a federally insured financial institution and to credit any interest to Buyer.

6. TITLE POLICY AND SURVEY:

A. Title Policy:

(1) Seller, at Seller's expense, will furnish Buyer an Owner's Policy of Title insurance (the title policy) issued by any underwriter of the title company in the amount of the sales price, dated at or after closing, insuring Buyer against loss under the title policy, subject only to:
(a) those title exceptions permitted by this contract or as may be approved by Buyer in writing; and
(b) the standard printed exceptions contained in the promulgated form of title policy unless this contract provides otherwise.

(2) The standard printed exception as to discrepancies, conflicts, or shortages in area and boundary lines, or any encroachments or protrusions, or any overlapping improvements:
☐ (a) will not be amended or deleted from the title policy.
☐ (b) will be amended to read "shortages in areas" at the expense of Buyer Seller.

(3) Within 14 days after the effective date, Seller will furnish Buyer a commitment for title insurance (the commitment) including legible copies of recorded documents evidencing title exceptions. Seller authorizes the title company to deliver the commitment and related documents to Buyer at Buyer's address.

B. Survey: Within 120 days after the effective date:

☑ (1) Buyer will obtain a survey of the Property at Buyer's expense and deliver a copy of the survey to Seller. The survey must be made in accordance with the: (i) ALTA/ACSM Land Title Survey standards, or (ii) Texas Society of Professional Surveyors' standards for a Category 1A survey under the appropriate condition. Seller will reimburse Buyer 0.00 (insert amount) of the cost of the survey at closing, if closing occurs.

☐ (2) Seller, at Seller's expense, will furnish Buyer a survey of the Property dated after the effective date. The survey must be made in accordance with the: (i) ALTA/ACSM Land Title Survey standards, or (ii) Texas Society of Professional Surveyors' standards for a Category 1A survey under the appropriate condition.

☐ (3) Seller will deliver to Buyer and the title company a true and correct copy of Seller's most recent survey of the Property along with an affidavit required by the title company for approval of the existing survey. If the existing survey is not acceptable to the title company, Seller, at Seller's expense, will obtain a new or updated survey acceptable to the title company and deliver the acceptable survey to Buyer and the title company within 20 days after Seller receives notice that the existing survey is not acceptable to the title company. The closing date will be extended daily up to 20 days if necessary for Seller to deliver an acceptable survey within the time required. Buyer will reimburse Seller 0.00 (insert amount) of the cost of the new or updated survey at closing, if closing occurs.

C. Buyer's Objections to the Commitment and Survey:

(1) Within 30 days after Buyer receives the commitment, copies of the documents evidencing the title exceptions, and any required survey, Buyer may object in writing to matters disclosed in the items if: (a) the matters disclosed are a restriction upon the Property or constitute a defect or encumbrance to title other than those permitted by this contract or liens that Seller will satisfy at closing or Buyer will assume at closing; or (b) the items show that any part of the Property lies in a special flood hazard area (an "A" or "V" zone as defined by FEMA). If Paragraph 6B(1) applies,
Buyer is deemed to receive the survey on the earlier of: (i) the date of Buyer’s actual receipt of the
survey; or (ii) of the deadline specified in Paragraph 68.

(2) Seller may, but is not obligated to, cure Buyer’s timely objections within 15 days after Seller
receives the objections. The closing date will be extended as necessary to provide such time to
cure the objections. If Seller fails to cure the objections by the time required, Buyer may terminate
this contract by providing written notice to Seller within 5 days after the time by which Seller must
cure the objections. If Buyer terminates, the earnest money, less any independent consideration
under Paragraph 7B(1), will be refunded to Buyer.

(3) Buyer’s failure to timely object or terminate under this Paragraph 6C is a waiver of Buyer’s right to
object except that Buyer will not waive the requirements in Schedule C of the commitment.

7. PROPERTY CONDITION:

A. Present Condition: Buyer accepts the Property in its present condition except that Seller, at Seller’s
expense, will complete the following before closing: N/A

B. Feasibility Period: Buyer may terminate this contract for any reason within 120 days after the
effective date (feasibility period) by providing Seller written notice of termination. (Check only one box.)

☐ (1) If Buyer terminates under this Paragraph 7B, the earnest money will be refunded to Buyer less
$100.00 that Seller will retain as independent consideration for Buyer’s unrestricted
right to terminate. Buyer has tendered the independent consideration to Seller upon payment of the
amount specified in Paragraph 5A to the title company. The independent consideration is to be
credited to the sales price only upon closing of the sale. If no dollar amount is stated in this
Paragraph 7B(1) or if Buyer fails to deposit the earnest money, Buyer will not have the right to
terminate under this Paragraph 7B.

☐ (2) Not later than 3 days after the effective date, Buyer must pay Seller $___________ as
independent consideration for Buyer’s right to terminate by tendering such amount to Seller or
Seller’s agent. If Buyer terminates under this Paragraph 7B, the earnest money will be refunded to
Buyer and Seller will retain the independent consideration. The independent consideration will be
credited to the sales price only upon closing of the sale. If no dollar amount is stated in this
Paragraph 7B(2) or if Buyer fails to pay the independent consideration, Buyer will not have the right
to terminate under this Paragraph 7B.

C. Inspections, Studies, or Assessments:

(1) During the feasibility period, Buyer, at Buyer’s expense, may complete or cause to be completed
any and all inspections, studies, or assessments of the Property (including all improvements and
fixtures) desired by Buyer.

(2) Buyer must:
(a) employ only trained and qualified inspectors and assessors;
(b) notify Seller, in advance, of when the inspectors or assessors will be on the Property;
(c) abide by any reasonable entry rules or requirements of Seller;
(d) not interfere with existing operations or occupants of the Property; and
(e) restore the Property to its original condition if altered due to inspections, studies, or
assessments that Buyer completes or causes to be completed.
(3) Except for those matters that arise from the negligence of Seller or Seller's agents, Buyer is responsible for any claim, liability, encumbrance, cause of action, and expense resulting from Buyer's inspections, studies, or assessments, including any property damage or personal injury. Buyer will indemnify, hold harmless, and defend Seller and Seller's agents against any claim involving a matter for which Buyer is responsible under this paragraph. This paragraph survives termination of this contract.

D. Property Information:

(1) Delivery of Property Information: Within 10 days after the effective date, Seller will deliver to Buyer: (Check all that apply.)
- [ ] (a) copies of all current leases pertaining to the Property, including any modifications, supplements, or amendments to the leases;
- [x] (b) copies of all notes and deeds of trust against the Property that Buyer will assume or that Seller will not pay in full on or before closing;
- [x] (c) copies of all previous environmental assessments, geotechnical reports, studies, or analyses made on or relating to the Property;
- [x] (d) copies property tax statements for the Property for the previous 2 calendar years;
- [x] (e) plats of the Property;
- [ ] (f) copies of current utility capacity letters from the Property's water and sewer service provider; and
- [ ] (g) __________________________ 

(2) Return of Property Information: If this contract terminates for any reason, Buyer will, not later than 10 days after the termination date: (Check all that apply.)
- [x] (a) return to Seller all those items described in Paragraph 7D(1) that Seller delivered to Buyer in other than an electronic format and all copies that Buyer made of those items;
- [ ] (b) delete or destroy all electronic versions of those items described in Paragraph 7D(1) that Seller delivered to Buyer or Buyer copied; and
- [ ] (c) deliver copies of all inspection and assessment reports related to the Property that Buyer completed or caused to be completed.

This Paragraph 7D(2) survives termination of this contract.

E. Contracts Affecting Operations: Until closing, Seller: (1) will operate the Property in the same manner as on the effective date under reasonably prudent business standards; and (2) will not transfer or dispose of any part of the Property, any interest or right in the Property, or any of the personal property or other items described in Paragraph 2B or sold under this contract. After the feasibility period ends, Seller may not enter into, amend, or terminate any other contract that affects the operations of the Property without Buyer's written approval.

8. LEASES:

A. Each written lease Seller is to assign to Buyer under this contract must be in full force and effect according to its terms. Seller may not enter into any new lease, fail to comply with any existing lease, or make any amendment or modification to any existing lease without Buyer's written consent. Seller must disclose, in writing, if any of the following exist at the time Seller provides the leases to the Buyer or subsequently occur before closing:
- (1) any failure by Seller to comply with Seller's obligations under the leases;
- (2) any circumstances under any lease that entitle the tenant to terminate the lease or seek any offsets or damages;
- (3) any advance sums paid by a tenant under any lease;
- (4) any concessions, bonuses, free rents, rebates, brokerage commissions, or other matters that affect any lease; and

[TAR-1802] 1-1-16 Initialed for Identification by Seller and Buyer. 

Page 5 of 13

Keller Williams Realty of Southeast Texas 6310 Delaware Ext. Beaumont, TX 77706 409-860-3170 Kami Teel
(5) any amounts payable under the leases that have been assigned or encumbered, except as security for loan(s) assumed or taken subject to under this contract.

B. Estoppel Certificates: Within N/A days after the effective date, Seller will deliver to Buyer estoppel certificates signed not earlier than N/A by each tenant that leases space in the Property. The estoppel certificates must include the certifications contained in the current version of TAR Form 1938—Commercial Tenant Estoppel Certificate and any additional information requested by a third party lender providing financing under Paragraph 4 if the third party lender requests such additional information at least 10 days prior to the earliest date that Seller may deliver the signed estoppel certificates.

9. BROKERS:

A. The brokers to this sale are:

Principal Broker: Keller Williams Realty SETX

Cooperating Broker: 

Agent: Kami D. Teel

Address: 6310 Delaware Ext., Beaumont, TX 77706

Phone & Fax: 409.466.4954

E-mail: kamiteel@kw.com

License No.: 654809

Principal Broker: (Check only one box)
☐ represents Seller only.
☐ represents Buyer only.
☒ is an intermediary between Seller and Buyer.

B. Fees: (Check only (1) or (2) below.)

(Complete the Agreement Between Brokers on page 13 only if (1) is selected.)

☒ (1) Seller will pay Principal Broker the fee specified by separate written commission agreement between Principal Broker and Seller. Principal Broker will pay Cooperating Broker the fee specified in the Agreement Between Brokers found below the parties' signatures to this contract.

☒ (2) At the closing of this sale, Seller will pay:

Principal Broker a total cash fee of: ☒ 6% of the sales price.

Cooperating Broker a total cash fee of: ☐ % of the sales price.

The cash fees will be paid in Jefferson County, Texas. Seller authorizes the title company to pay the brokers from the Seller's proceeds at closing.

NOTICE: Chapter 62, Texas Property Code, authorizes a broker to secure an earned commission with a lien against the Property.

C. The parties may not amend this Paragraph 9 without the written consent of the brokers affected by the amendment.
10. CLOSING:

A. The date of the closing of the sale (closing date) will be on or before the later of:
   (1) ☑ 05/31/2019 (specific date).
   (2) 7 days after objections made under Paragraph 6C have been cured or waived.

B. If either party fails to close by the closing date, the non-defaulting party may exercise the remedies in Paragraph 15.

C. At closing, Seller will execute and deliver, at Seller's expense, a ☑ general ☐ special warranty deed. The deed must include a vendor's lien if any part of the sales price is financed. The deed must convey good and indefeasible title to the Property and show no exceptions other than those permitted under Paragraph 6 or other provisions of this contract. Seller must convey the Property:
   (1) with no liens, assessments, or other security interests against the Property which will not be satisfied out of the sales price, unless securing loans Buyer assumes;
   (2) without any assumed loans in default; and
   (3) with no persons in possession of any part of the Property as lessees, tenants at sufferance, or trespassers except tenants under the written leases assigned to Buyer under this contract.

D. At closing, Seller, at Seller's expense, will also deliver to Buyer:
   (1) tax statements showing no delinquent taxes on the Property;
   (2) an assignment of all leases to or on the Property;
   (3) to the extent assignable, an assignment to Buyer of any licenses and permits related to the Property;
   (4) evidence that the person executing this contract is legally capable and authorized to bind Seller;
   (5) an affidavit acceptable to the title company stating that Seller is not a foreign person or, if Seller is a foreign person, a written authorization for the title company to: (i) withhold from Seller's proceeds an amount sufficient to comply applicable tax law; and (ii) deliver the amount to the Internal Revenue Service (IRS) together with appropriate tax forms; and
   (6) any notices, statements, certificates, affidavits, releases, and other documents required by this contract, the commitment, or law necessary for the closing of the sale and issuance of the title policy, all of which must be completed by Seller as necessary.

E. At closing, Buyer will:
   (1) pay the sales price in good funds acceptable to the title company;
   (2) deliver evidence that the person executing this contract is legally capable and authorized to bind Buyer;
   (3) sign and send to each tenant in a lease for any part of the Property a written statement that:
      (a) acknowledges Buyer has received and is responsible for the tenant's security deposit; and
      (b) specifies the exact dollar amount of the security deposit;
   (4) sign an assumption of all leases then in effect; and
   (5) execute and deliver any notices, statements, certificates, or other documents required by this contract or law necessary to close the sale.

F. Unless the parties agree otherwise, the closing documents will be as found in the basic forms in the current edition of the State Bar of Texas Real Estate Forms Manual without any additional clauses.

11. POSSESSION: Seller will deliver possession of the Property to Buyer upon closing and funding of this sale in its present condition with any repairs Seller is obligated to complete under this contract, ordinary wear and tear excepted. Any possession by Buyer before closing or by Seller after closing that is not authorized by a separate written lease agreement is a landlord-tenant at sufferance relationship between the parties.
12. SPECIAL PROVISIONS: The following special provisions apply and will control in the event of a conflict with other provisions of this contract. (If special provisions are contained in an Addendum, identify the Addendum here and reference the Addendum in Paragraph 22D.)

Buyer agrees to leave a minimum 20 foot buffer of existing timber on east side of property (east side of Tract B).

Seller agrees to prepare and present necessary documentation to the City of Kountze for annexation of above-mentioned property.

13. SALES EXPENSES:

A. Seller’s Expenses: Seller will pay for the following at or before closing:
   (1) releases of existing liens, other than those liens assumed by Buyer, including prepayment penalties and recording fees;
   (2) release of Seller’s loan liability, if applicable;
   (3) tax statements or certificates;
   (4) preparation of the deed;
   (5) one-half of any escrow fee;
   (6) costs to record any documents to cure title objections that Seller must cure; and
   (7) other expenses that Seller will pay under other provisions of this contract.

B. Buyer’s Expenses: Buyer will pay for the following at or before closing:
   (1) all loan expenses and fees;
   (2) preparation of any deed of trust;
   (3) recording fees for the deed and any deed of trust;
   (4) premiums for flood insurance as may be required by Buyer’s lender;
   (5) one-half of any escrow fee;
   (6) other expenses that Buyer will pay under other provisions of this contract.

14. PRORATIONS:

A. Prorations:
   (1) Interest on any assumed loan, taxes, rents, and any expense reimbursements from tenants will be prorated through the closing date.
   (2) If the amount of ad valorem taxes for the year in which the sale closes is not available on the closing date, taxes will be prorated on the basis of taxes assessed in the previous year. If the taxes for the year in which the sale closes vary from the amount prorated at closing, the parties will adjust the prorations when the tax statements for the year in which the sale closes become available. This Paragraph 14A(2) survives closing.
   (3) If Buyer assumes a loan or is taking the Property subject to an existing lien, Seller will transfer all reserve deposits held by the lender for the payment of taxes, insurance premiums, and other charges to Buyer at closing and Buyer will reimburse such amounts to Seller by an appropriate adjustment at closing.

B. Rollback Taxes: If Seller’s use or change in use of the Property before closing results in the assessment of additional taxes, penalties, or interest (assessments) for periods before closing, the assessments will be the obligation of the Seller. If this sale or Buyer’s use of the Property after closing results in additional assessments for periods before closing, the assessments will be the obligation of Buyer. This Paragraph 14B survives closing.

C. Rent and Security Deposits: At closing, Seller will tender to Buyer all security deposits and the following advance payments received by Seller for periods after closing: prepaid expenses, advance rental payments, and other advance payments paid by tenants. Rents prorated to one party but received by the other party will be remitted by the recipient to the party to whom it was prorated within 5 days after the rent is received. This Paragraph 14C survives closing.
15. DEFAULT:

A. If Buyer fails to comply with this contract, Buyer is in default and Seller, as Seller's sole remedy(ies), may terminate this contract and receive the earnest money, as liquidated damages for Buyer's failure except for any damages resulting from Buyer's inspections, studies or assessments in accordance with Paragraph 7C(3) which Seller may pursue, or

☐ enforce specific performance, or seek such other relief as may be provided by law.

B. If, without fault, Seller is unable within the time allowed to deliver the estoppel certificates, survey or the commitment, Buyer may:
   (1) terminate this contract and receive the earnest money, less any independent consideration under Paragraph 7B(1), as liquidated damages and as Buyer's sole remedy; or
   (2) extend the time for performance up to 15 days and the closing will be extended as necessary.

C. Except as provided in Paragraph 15B, if Seller fails to comply with this contract, Seller is in default and Buyer may:
   (1) terminate this contract and receive the earnest money, less any independent consideration under Paragraph 7B(1), as liquidated damages and as Buyer's sole remedy; or
   (2) enforce specific performance, or seek such other relief as may be provided by law, or both.

16. CONDEMNATION: If before closing, condemnation proceedings are commenced against any part of the Property, Buyer may:

A. terminate this contract by providing written notice to Seller within 15 days after Buyer is advised of the condemnation proceedings and the earnest money, less any independent consideration paid under Paragraph 7B(1), will be refunded to Buyer; or

B. appear and defend in the condemnation proceedings and any award will, at Buyer's election, belong to:
   (1) Seller and the sales price will be reduced by the same amount; or
   (2) Buyer and the sales price will not be reduced.

17. ATTORNEY'S FEES: If Buyer, Seller, any broker, or the title company is a prevailing party in any legal proceeding brought under or with relation to this contract or this transaction, such party is entitled to recover from the non-prevailing parties all costs of such proceeding and reasonable attorney's fees. This Paragraph 17 survives termination of this contract.

18. ESCROW:

A. At closing, the earnest money will be applied first to any cash down payment, then to Buyer's closing costs, and any excess will be refunded to Buyer. If no closing occurs, the title company may require payment of unpaid expenses incurred on behalf of the parties and a written release of liability of the title company from all parties.

B. If one party makes written demand for the earnest money, the title company will give notice of the demand by providing to the other party a copy of the demand. If the title company does not receive written objection to the demand from the other party within 15 days after the date the title company sent the demand to the other party, the title company may disburse the earnest money to the party making the demand, reduced by the amount of unpaid expenses incurred on behalf of the party receiving the earnest money and the title company may pay the same to the creditors.

C. The title company will deduct any independent consideration under Paragraph 7B(1) before disbursing any earnest money to Buyer and will pay the independent consideration to Seller.

D. If the title company complies with this Paragraph 18, each party hereby releases the title company from all claims related to the disbursal of the earnest money.
E. Notices under this Paragraph 18 must be sent by certified mail, return receipt requested. Notices to the title company are effective upon receipt by the title company.

F. Any party who wrongfully fails or refuses to sign a release acceptable to the title company within 7 days after receipt of the request will be liable to the other party for: (i) damages; (ii) the earnest money; (iii) reasonable attorney's fees; and (iv) all costs of suit.

G. Seller Buyer intend(s) to complete this transaction as a part of an exchange of like-kind properties in accordance with Section 1031 of the Internal Revenue Code, as amended. All expenses in connection with the contemplated exchange will be paid by the exchanging party. The other party will not incur any expense or liability with respect to the exchange. The parties agree to cooperate fully and in good faith to arrange and consummate the exchange so as to comply to the maximum extent feasible with the provisions of Section 1031 of the Internal Revenue Code. The other provisions of this contract will not be affected in the event the contemplated exchange fails to occur.

19. MATERIAL FACTS: To the best of Seller's knowledge and belief. (Check only one box.)

☐ A. Seller is not aware of any material defects to the Property except as stated in the attached Commercial Property Condition Statement (TAR-1408).

☒ B. Except as otherwise provided in this contract, Seller is not aware of:

(1) any subsurface structures, pits, waste, springs, or improvements;
(2) any pending or threatened litigation, condemnation, or assessment affecting the Property;
(3) any environmental hazards or conditions that materially affect the Property;
(4) whether the Property is or has been used for the storage or disposal of hazardous materials or toxic waste, a dump site or landfill, or any underground tanks or containers;
(5) whether radon, asbestos containing materials, urea-formaldehyde foam insulation, lead-based paint, toxic mold (to the extent that it adversely affects the health of ordinary occupants), or other pollutants or contaminants of any nature now exist or ever existed on the Property;
(6) any wetlands, as defined by federal or state law or regulation, on the Property;
(7) any threatened or endangered species or their habitat on the Property;
(8) any present or past infestation of wood-destroying insects in the Property's improvements;
(9) any contemplated material changes to the Property or surrounding area that would materially and detrimentally affect the ordinary use of the Property;
(10) any condition on the Property that violates any law or ordinance.

(Describe any exceptions to (1)-(10) in Paragraph 12 or an addendum.)

20. NOTICES: All notices between the parties under this contract must be in writing and are effective when hand-delivered, mailed by certified mail return receipt requested, or sent by facsimile transmission to the parties addresses or facsimile numbers stated in Paragraph 1. The parties will send copies of any notices to the broker representing the party to whom the notices are sent.

☒ A. Seller also consents to receive any notices by e-mail at Seller's e-mail address stated in Paragraph 1.

☒ B. Buyer also consents to receive any notices by e-mail at Buyer's e-mail address stated in Paragraph 1.

21. DISPUTE RESOLUTION: The parties agree to negotiate in good faith in an effort to resolve any dispute related to this contract that may arise. If the dispute cannot be resolved by negotiation, the parties will submit the dispute to mediation before resorting to arbitration or litigation and will equally share the costs of a mutually acceptable mediator. This paragraph survives termination of this contract. This paragraph does not preclude a party from seeking equitable relief from a court of competent jurisdiction.

22. AGREEMENT OF THE PARTIES:

A. This contract is binding on the parties, their heirs, executors, representatives, successors, and permitted assigns. This contract is to be construed in accordance with the laws of the State of Texas.
If any term or condition of this contract shall be held to be invalid or unenforceable, the remainder of this contract shall not be affected thereby.

B. This contract contains the entire agreement of the parties and may not be changed except in writing.

C. If this contract is executed in a number of identical counterparts, each counterpart is an original and all counterparts, collectively, constitute one agreement.

D. Addenda which are part of this contract are: (Check all that apply.)

☐ (1) Property Description Exhibit identified in Paragraph 2;
☐ (2) Commercial Contract Financing Addendum (TAR-1931);
☐ (3) Commercial Property Condition Statement (TAR-1408);
☒ (4) Commercial Contract Addendum for Special Provisions (TAR-1940);
☐ (5) Notice to Purchaser of Real Property in a Water District (MUD);
☐ (6) Addendum for Coastal Area Property (TAR-1915);
☐ (7) Addendum for Property Located Seaward of the Gulf Intracoastal Waterway (TAR-1916);
☒ (8) Information About Brokerage Services (TAR-2501); and
☐ (9) _________________________

(Note: Counsel for the Texas Association of REALTORS® (TAR) has determined that any of the foregoing addenda which are promulgated by the Texas Real Estate Commission (TREC) or published by TAR are appropriate for use with this form.)

E. Buyer ☒ may ☐ may not assign this contract. If Buyer assigns this contract, Buyer will be relieved of any future liability under this contract only if the assignee assumes, in writing, all obligations and liability of Buyer under this contract.

23. TIME: Time is of the essence in this contract. The parties require strict compliance with the times for performance. If the last day to perform under a provision of this contract falls on a Saturday, Sunday, or legal holiday, the time for performance is extended until the end of the next day which is not a Saturday, Sunday, or legal holiday.

24. EFFECTIVE DATE: The effective date of this contract for the purpose of performance of all obligations is the date the title company receives this contract after all parties execute this contract.

25. ADDITIONAL NOTICES:

A. Buyer should have an abstract covering the Property examined by an attorney of Buyer’s selection, or Buyer should be furnished with or obtain a title policy.

B. 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 Buyer to sign the statutory notice relating to the tax rate, bonded indebtedness, or standby fees of the district before final execution of this contract.

C. Notice Required by §13.257, Water Code: “The real property, described below, that you are about to purchase may be located in a certificated water or sewer service area, which is authorized by law to provide water or sewer service to the properties in the certificated area. If your property is located in a certificated area there may be special costs or charges that you will be required to pay before you can receive water or sewer service. There may be a period required to construct lines or other facilities necessary to provide water or sewer service to your property. You are advised to determine if the property is in a certificated area and contact the utility service provider to determine the cost that you will be required to pay and the period, if any, that is required to provide water or sewer service to your property. The undersigned purchaser hereby acknowledges receipt of the foregoing notice at or before the execution of a binding contract for the purchase of the real property described in the notice or at closing of purchase of the real property.” The real property is described in Paragraph 2 of this contract.
D. If the Property adjoins or shares a common boundary with the tidally influenced submerged lands of the state, §33.135 of the Texas Natural Resources Code requires a notice regarding coastal area property to be included as part of this contract.

E. If the Property is located seaward of the Gulf Intracoastal Waterway, §61.025, Texas Natural Resources Code, requires a notice regarding the seaward location of the Property to be included as part of this contract.

F. 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, Buyer should contact all municipalities located in the general proximity of the Property for further information.

G. Brokers are not qualified to perform property inspections, surveys, engineering studies, environmental assessments, or inspections to determine compliance with zoning, governmental regulations, or laws. Buyer should seek experts to perform such services. Buyer should review local building codes, ordinances and other applicable laws to determine their effect on the Property. Selection of experts, inspectors, and repairmen is the responsibility of Buyer and not the brokers. Brokers are not qualified to determine the credit worthiness of the parties.

H. NOTICE OF WATER LEVEL FLUCTUATIONS: If the Property adjoins an impoundment of water, including a reservoir or lake, constructed and maintained under Chapter 11, Water Code, that has a storage capacity of at least 5,000 acre-feet at the impoundment's normal operating level, Seller hereby notifies Buyer: "The water level of the impoundment of water adjoining the Property fluctuates for various reasons, including as a result of: (1) an entity lawfully exercising its right to use the water stored in the impoundment; or (2) drought or flood conditions."

26. CONTRACT AS OFFER: The execution of this contract by the first party constitutes an offer to buy or sell the Property. Unless the other party accepts the offer by 5:00 p.m., in the time zone in which the Property is located, on 01/08/2018, the offer will lapse and become null and void.

READ THIS CONTRACT CAREFULLY. The brokers and agents make no representation or recommendation as to the legal sufficiency, legal effect, or tax consequences of this document or transaction. CONSULT your attorney BEFORE signing.

Seller: S & M Affiliated, Inc.

By: David Smallwood
By (signature): [Signature]
Printed Name: S & M Affiliated, Inc.
Title: President

Buyer: Premiere Affordable Housing, LLC

By: Donald R. Ball
By (signature): [Signature]
Printed Name: Premiere Affordable Housing, LLC
Title: President
AGREEMENT BETWEEN BROKERS
(use only if Paragraph BB(1) is effective)
Principal Broker agrees to pay Kami D. Teel, Keller Williams Realty SETX (Cooperating Broker) a fee when the Principal Broker's fee is received. The fee to be paid to Cooperating Broker will be:

☐ $_____, or
☐ 6% of the sales price, or
☐ ______% of the Principal Broker’s fee.

The title company is authorized and directed to pay Cooperating Broker from Principal Broker’s fee at closing. This Agreement Between Brokers supersedes any prior offers and agreements for compensation between brokers.

Principal Broker: Keller Williams Realty SETX
Kami Dee Teel
By: _________________

Cooperating Broker:

By: _________________

ATTORNEYS

Seller’s attorney: ________________________________
Address: ________________________________
Phone & Fax: ________________________________
E-mail: ________________________________

Buyer’s attorney: ________________________________
Address: ________________________________
Phone & Fax: ________________________________
E-mail: ________________________________

Seller’s attorney requests copies of documents, notices, and other information:
☐ the title company sends to Seller.
☐ Buyer sends to Seller.

Buyer’s attorney requests copies of documents, notices, and other information:
☐ the title company sends to Buyer.
☐ Seller sends to Buyer.

ESCROW RECEIPT

The title company acknowledges receipt of:

☐ A. the contract on this day January 9, 2018 (effective date):
☐ B. earnest money in the amount of $10,000 - in the form of 023715 on January 9, 2018.

Title company: Texas Regional Title Co.
Address: 7675 Folsom Drive, Bldg. 100, Beaumont, Tx. 77706
By: Mary C. Rodriguez
Phone & Fax: 409-861-7300 / 909-861-7373
E-mail: molly.mallet@texasregional.com

Assigned file number (GF#): ________________________________
ADDENDUM TO COMMERCIAL CONTRACT BETWEEN THE UNDERSIGNED PARTIES CONCERNING
THE PROPERTY AT:

001 Allen St. and 002 Allen St., Kountze, Tx, 77625

The following special provisions apply and will control in the event of a conflict with the other provisions of the contract:

Seller acknowledges the Buyer in addition to conventional sources of financing is seeking funding from perhaps several agencies of government including a) The Texas Department of Housing and Community Affairs (TDHCA) through its 2018 9% Tax Credit Program and "Home funds", and b) the Department of Housing and Urban Development for a FHA Insurance Loan.

Although Buyer has had extensive experience and has been successful in securing 9% Housing Tax Credit Financing, this is a competitive process and many competitive applications never receive an allocation of Housing Tax Credits. Typically 9% Housing Tax Credits awards are announced late July. Mixed Finance developments of this nature typically take several months to close after the buyer received notification of a Housing Tax Credit Award.

If the contract is not terminated during the feasibility period, all earnest money will be applied to the sale price at closing.

In the event that the Buyer has received an allocation of Housing Tax Credits from TDHCA but has been unable to complete financial closing by May 31, 2019, Buyer may extend the Closing Date to August 31, 2019 by depositing $5,000.00 into escrow and notifying seller in writing by May 31, 2019. This additional escrow payment shall be applied to the sales price at closing.

Starting the first day of the month following the end of the feasibility period, the seller will earn from escrow $1,000.00 per month for the duration the property is under contract and has not been closed until all escrow is earned. Money will stay in escrow until the contract is either terminated or closed. If terminated, the seller will receive the money earned per month following the feasibility period, and buyer will receive the remaining money that has not been earned by the seller.

No vertical drilling is allowed within 1,000 feet of the above-mentioned property.

Seller: S & M Affiliated, Inc.

By: David Smallwood

By (signature): [Signature]

Printed Name: S & M Affiliated

Title: President

Buyer: Premiere Affordable Housing, LLC

By: Donald R. Ball

By (signature): [Signature]

Printed Name: Premiere Affordable Housing, LLC

Title: President

(TAR-1940) 1-26-10
J. D. McCLELLAN DO HEREBY CERTIFY THAT THIS IS A TRUE AND ACCURATE PLAT OF A SURVEY MADE UNDER MY SUPERVISION, ON THE GROUND, OF A 12.62 ACRE TRACT IN THE JOHN A. CHRISTIE SURVEY, ABSTRACT NUMBER 54.4, IN HARRISON COUNTY, TEXAS AND SHOWING ALL VISIBLE IMPROVEMENTS THEREON. THERE ARE NO OVERLAPPING OF IMPROVEMENTS EXCEPT AS SHOWN THEREON. THERE ARE NO VISIBLE SIGNS OF ENCROACHMENTS AT THE TIME OF THE SURVEY EXCEPT AS SHOWN. THE UNDERSIGNED SURVEYOR DOES NOT WARRANT OR SUBSCRIBE TO THE ACCURACY OR SCALE OF FLOOD ZONE INFORMATION WHICH IS DERIVED FROM THE ABOVE REFERENCED FLOOD INSURANCE RATE MAP. USE OF THIS SURVEY FOR ANY OTHER PURPOSE OR BY ANY OTHER PARTIES IS AT THEIR OWN RISK AND THE UNDERSIGNED SURVEYOR IS NOT RESPONSIBLE FOR ANY LOSS RESULTING THEREFROM.

L. T. D. R. R. SURVEY
ABSTRACT NUMBER 229

SURVEYED FOR:
VACANT, ALLEN STREET
KOUNTZE, TEXAS 77645

PREPARED BY:
B-LINE SURVEYORS INC.
© COPYRIGHT 2018
MEETES AND BOUNDS DESCRIPTION

12.62 ACRE TRACT

JOHN A. CHRISTIE SURVEY

ABSTRACT NUMBER 544

HARDIN COUNTY, TEXAS

Being a tract or parcel containing 12.62 acres of land out of and a part of the John A. Christie Survey, Abstract Number 544, Hardin County, Texas, and also being out of and a part of a 497.27 acre tract recorded in Clerk File Number 2015-52296, Official Public Records of Hardin County, Texas, said 12.62 acre tract being more particularly described by metes and bounds as follows:

BEGINNING at a concrete monument found in the most Westerly North line of the H. T. & B. R.R. Survey, Abstract Number 289 and also being the South line of said John A. Christie Survey and being the Southeast corner of a 7.00 acre tract recorded in Volume 529, Page 309, Deed Records of Hardin County, Texas and being in the North right-of-way line of a public road known as Allen Street, said concrete monument having a State Plane Coordinate value of Y=10,158,261.68 and X=4,187,994.01;

THENCE, North 03 deg. 18 min. 30 sec. West, along the East line of said 7.00 acre tract for a distance of 441.05 feet to a concrete monument found for corner;

THENCE, North 44 deg. 27 min. 58 sec. West, along the East line of said 7.00 acre tract for a distance of 332.42 feet to a concrete monument found for corner;

THENCE, North 45 deg. 27 min. 11 sec. East, along the residue of said 497.27 acre tract for a distance of 154.86 feet to a ½-inch iron rod capped RPLS 2512 set for corner;

THENCE, North 86 deg. 22 min. 05 sec. East, along the residue of said 497.27 acre tract for a distance of 738.14 feet to a ½-inch iron rod capped RPLS 2512 set for corner;

THENCE, South 03 deg. 17 min. 34 sec. East, along the residue of said 497.27 acre tract for a distance of 797.75 feet to a ½-inch iron rod capped RPLS 2512 set in the North right-of-way line of said Allen Street;

THENCE, South 86 deg. 42 min. 26 sec. West, along the North right-of-way line of said Allen Street for a distance of 635.59 feet to the POINT OF BEGINNING and containing 12.62 acres of land.

Note: Bearings, distances and coordinates referenced to the Texas State Plane Coordinate System, Central Zone (4203), NAD 83. Grid scale factor: 0.999909022.

18-001
01/02/18
Information About Brokerage Services

Texas law requires all real estate license holders to give the following information about brokerage services to prospective buyers, tenants, sellers and landlords.

TYPES OF REAL ESTATE LICENSE HOLDERS:

- A BROKER is responsible for all brokerage activities, including acts performed by sales agents sponsored by the broker.
- A SALES AGENT must be sponsored by a broker and works with clients on behalf of the broker.

A BROKER'S MINIMUM DUTIES REQUIRED BY LAW (A client is the person or party that the broker represents):

- Put the interests of the client above all others, including the broker's own interests;
- Inform the client of any material information about the property or transaction received by the broker;
- Answer the client's questions and present any offer to or counter-offer from the client; and
- Treat all parties to a real estate transaction honestly and fairly.

A LICENSE HOLDER CAN REPRESENT A PARTY IN A REAL ESTATE TRANSACTION:

AS AGENT FOR OWNER (SELLER/LANDLORD): The broker becomes the property owner's agent through an agreement with the owner, usually in a written listing to sell or property management agreement. An owner's agent must perform the broker's minimum duties above and must inform the owner of any material information about the property or transaction known by the agent, including information disclosed to the agent or subagent by the buyer or buyer's agent.

AS AGENT FOR BUYER/TENANT: The broker becomes the buyer/tenant's agent by agreeing to represent the buyer, usually through a written representation agreement. A buyer's agent must perform the broker's minimum duties above and must inform the buyer of any material information about the property or transaction known by the agent, including information disclosed to the agent by the seller or seller's agent.

AS AGENT FOR BOTH - INTERMEDIARY: To act as an intermediary between the parties the broker must first obtain the written agreement of each party to the transaction. The written agreement must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. A broker who acts as an intermediary:

- Must treat all parties to the transaction impartially and fairly;
- May, with the parties' written consent, appoint a different license holder associated with the broker to each party (owner and buyer) to communicate with, provide opinions and advice to, and carry out the instructions of each party to the transaction.
- Must not, unless specifically authorized in writing to do so by the party, disclose:
  - that the owner will accept a price less than the written asking price;
  - that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
  - any confidential information or any other information that a party specifically instructs the broker in writing not to disclose, unless required to do so by law.

AS SUBAGENT: A license holder acts as a subagent when aiding a buyer in a transaction without an agreement to represent the buyer. A subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first.

TO AVOID DISPUTES, ALL AGREEMENTS BETWEEN YOU AND A BROKER SHOULD BE IN WRITING AND CLEARLY ESTABLISH:

- The broker's duties and responsibilities to you, and your obligations under the representation agreement.
- Who will pay the broker for services provided to you, when payment will be made and how the payment will be calculated.

LICENSE HOLDER CONTACT INFORMATION: This notice is being provided for information purposes. It does not create an obligation for you to use the broker's services. Please acknowledge receipt of this notice below and retain a copy for your records.

Keller Williams Realty SETX
600697
Email 409.860.3170

Katherine Cleveland
Designated Broker of Firm
600697
Email 409.860.3170

Kami Teel
Sales Agent/Associate's Name
654809
Email 409.466.4954

Regulated by the Texas Real Estate Commission
Information available at www.trec.texas.gov

IABS 1-0
To: S & M Affiliated, Inc. and Premiere Affordable Housing, LLC (Seller or Landlord)

From: Keller Williams Realty SETX (Broker's Firm)

Re: 001 Allen St. and 002 Allen St., Kountze, Tx. 77625 (Property)

Date: 01/08/2018

A. Under this notice, "owner" means the seller or landlord of the Property and "prospect" means the above-named prospective buyer or tenant for the Property.

B. Broker's firm represents the owner under a listing agreement and also represents the prospect under a buyer/tenant representation agreement.

C. In the written listing agreement and the written buyer/tenant representation agreement, both the owner and the prospect previously authorized Broker to act as an intermediary if a prospect who Broker represents desires to buy or lease a property that is listed by the Broker. When the prospect makes an offer to purchase or lease the Property, Broker will act in accordance with the authorizations granted in the listing agreement and in the buyer/tenant representation agreement.

D. Broker will not appoint licensed associates to communicate with, carry out instructions of, and provide opinions and advice during negotiations to each party. If Broker makes such appointments, Broker appoints:

Kami D. Teel to the owner; and

Kami D. Teel to the prospect.

E. By acknowledging receipt of this notice, the undersigned parties reaffirm their consent for broker to act as an intermediary.

F. Additional Information: (Disclose material information related to Broker's relationship to the parties, such as personal relationships or prior or contemplated business relationships.)

The undersigned acknowledge receipt of this notice

[Signatures and dates]

(TAR-1409) 1-7-04

Keller Williams Realty of Southeast Texas 6310 Delaware Ext. Beaumont, TX 77706 409-860-3170 Kami Teel
ASSIGNMENT OF CONTRACT OF SALE

THIS ASSIGNMENT OF CONTRACT OF SALE (this "Assignment") is executed and entered into effective as of the 8th day of January, 2018 (the "Effective Date") by and between Premiere Affordable Housing, LLC ("Assignor"), and Kountze Pines at Allen Street, LP, a to-be-formed Texas Limited Partnership ("Assignee").

WITNESSETH:

WHEREAS, S & M Affiliated, Inc., as Seller, and Assignor, as Buyer, have heretofore executed and entered into that certain Commercial Contract-Unimproved Property ("Contract") dated as of January 8, 2018 concerning that certain tract of land that is located in Hardin County, Texas and is described as:

Being a 7.13 acre tract out of AB 544 J A Christie; heretofore known as "Tract A" (001 Allen St.); and

Being a 5.48 acre tract out of AB 544 J A Christie; heretofore known as "Tract B" (002 Allen St.)

WHEREAS, Assignor now desires to assign to Assignee all of Assignor's right, title and interest in and to the Contract, and Assignee is willing to accept an assignment of the Contract.

NOW, THEREFORE, for and in consideration of Ten and No/100 Dollars ($10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor and Assignee hereby agree as follows:

1. Assignor hereby transfers, assigns and conveys to Assignee all of Assignor's right, title and interest in and to the Contract, and Assignee hereby accepts the assignment of the Contract and agrees to perform each of the duties and obligations of the Buyer under the Contract.

2. This Assignment shall be binding upon and inure to the benefit of Assignor and Assignee and their respective successors and assigns.

Executed and effective as of the Effective Date.

[Signature]

"Assignor"

[Signature]

"Assignee"
Commitment

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.

We FIRST AMERICAN TITLE INSURANCE 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.

First American Title Insurance Company

Dennis J. Gilmore
President

Jeffrey S. Robinson
Secretary

By [Authorized Countersignature]

TEXAS REGIONAL TITLE, LLC
3195 Dowlen Road, Suite 108
Beaumont, Texas 77706
(409) 861-7300 Fax (409) 861-7373

(This Commitment is valid only when Schedules A, B, C, and D are attached)
Title insurance insures you against loss resulting from certain risks to your title.
The commitment for Title Insurance is the title insurance company's promise to issue the title insurance policy. The commitment is a legal document. You should review it carefully to completely understand it before your closing date.

El seguro de título le asegura en relación a pérdidas resultantes de ciertos riesgos que pueden afectar el título de su propiedad.
El Compromiso para Seguro de Título es la promesa de la compañía aseguradora de títulos de emitir la póliza de seguro de título. El Compromiso es un documento legal. Usted debe leerlo cuidadosamente y enterderlo completamente antes de la fecha para finalizar su transacción.

Your Commitment for Title Insurance is a legal contract between you and us. The Commitment is not an opinion or report of your title. It is a contract to issue you a policy subject to the Commitment's terms and requirements.

Before issuing a Commitment for Title Insurance (the Commitment) or a Title Insurance Policy (the Policy), the Title Insurance Company (the Company) determines whether the title is insurable. This determination has already been made. Part of that determination involves the Company's decision to insure the title except for certain risks that will not be covered by the Policy. Some of these risks are listed in Schedule B of the attached Commitment as Exceptions. Other risks are stated in the Policy as Exclusions. These risks will not be covered by the Policy. The Policy is not an abstract of title nor does a Company have an obligation to determine the ownership of any mineral interest.

- MINERALS AND MINERAL RIGHTS may not be covered by the Policy. The Company may be unwilling to insure title unless there is an exclusion or an exception as to Minerals and Mineral Rights in the Policy. Optional endorsements insuring certain risks involving minerals, and the use of improvements (excluding lawns, shrubbery and trees) and permanent buildings may be available for purchase. If the title insurer issues the title policy with an exclusion or exception to the minerals and mineral rights, neither this Policy, nor the optional endorsements, ensure that the purchaser has title to the mineral rights related to the surface estate.

Another part of the determination involves whether the promise to insure is conditioned upon certain requirements being met. Schedule C of the Commitment lists these requirements that must be satisfied or the Company will refuse to cover them. You may want to discuss any matters shown in Schedules B and C of the Commitment with an attorney. These matters will affect your title and your use of the land.

When your Policy is issued, the coverage will be limited by the Policy's Exceptions, Exclusions and Conditions, defined below.

- EXCEPTIONS are title risks that a Policy generally covers but does not cover in a particular instance. Exceptions are shown on Schedule B or discussed in Schedule C of the Commitment. They can also be added if you do not comply with the Conditions section of the Commitment. When the Policy is issued, all Exceptions will be on Schedule B of the Policy.

- EXCLUSIONS are title risks that a Policy generally does not cover. Exclusions are contained in the Policy but not shown or discussed in the Commitment.

- CONDITIONS are additional provisions that qualify or limit your coverage. Conditions include your responsibilities and those of the Company. They are contained in the Policy but not shown or discussed in the Commitment. The Policy Conditions are not the same as the Commitment Conditions.
SCHEDULE A

Effective Date: December 29, 2017 at 08:00 AM
GF Number: 23425-MM
Commitment Number: ORIGINAL, issued February 7, 2018 at 01:48-PM

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: $ 110,388.00
      PROPOSED INSURED:
      Kountze Pines at Allen Street, LP, a Texas limited partnership
   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:
      (To be determined), and each successor in ownership of the indebtedness secured by the insured mortgage, except a successor who is an obligor under the provisions of Section 12(c) of the Conditions.
      Proposed Borrower:
      Kountze Pines at Allen Street, LP, a Texas limited partnership
   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:
   g. 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:
   S&M Affiliated, Inc., a Texas corporation

4. Legal description of land:
   Being a tract or parcel containing 12.62 acres of land out of and a part of the John A. Christie Survey, Abstract Number 544, Hardin County, Texas, and also being out of and a part of a 497.27 acre tract recorded in Clerk File Number 2015-52296, Official Public Records of Hardin County, Texas, said 12.62 acre tract being more particularly described by metes and bounds as follows:

   BEGINNING at a concrete monument found in the most Westerly North line of the H.T.& B. R.R. Survey, Abstract Number 289 and also being the South line of said John A. Christie Survey and being the Southeast corner of a 7.00 acre tract recorded in Volume 529, Page 309, Deed Records of Hardin County, Texas and being in the North right-of-way line of a public road known as Allen Street, said concrete monument having a State Plane Coordinate value of Y=10,158,261.68 and X=4,187,994.01;

   THENCE, North 03 deg. 18 min. 30 sec. West, along the East line of said 7.00 acre tract for a distance of 441.05 feet to a concrete monument found for corner;
THENCE, North 44 deg. 27 min. 58 sec. West, along the East line of said 7.00 acre tract for a distance of 332.42 feet to a concrete monument found for corner;

THENCE, North 45 deg. 27 min. 11 sec. East, along the residue of said 497.27 acre tract for a distance of 154.86 feet to a 1/2-inch iron rod capped RPLS 2512 set for corner;

THENCE, North 86 deg. 22 min. 05 sec. East, along the residue of said 497.27 acre tract for a distance of 738.14 feet to a 1/2-inch iron rod capped RPLS 2512 set for corner;

THENCE, South 03 deg. 17 min. 34 sec. East, along the residue of said 497.27 acre tract for a distance of 797.75 feet to a 1/2-inch iron rod capped RPLS 2512 set in the North right-of-way line of said Allen Street;

THENCE, South 86 deg. 42 min. 26 sec. West, along the North right-of-way line of said Allen Street for a distance of 635.59 feet to the POINT OF BEGINNING and containing 12.62 acres of land.

NOTE: THE COMPANY DOES NOT REPRESENT THAT THE ABOVE ACREAGE OR SQUARE FOOTAGE CALCULATIONS ARE CORRECT.
SCHEDULE B

EXCEPTIONS FROM COVERAGE

GF Number: 23425-MM

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 lands 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 is furnished 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 (T-2) 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.):
    a. Rights of Parties in Possession. (Owner's Policy Only)
SCHEDULE B
(Continued)

GF Number: 23425-MM

b. Mineral interest reserved in deed executed by A. F. Kountze to David L. Gallup, recorded in Volume 9, Page 312, Deed Records, Hardin County, Texas, and being subject to all the terms, conditions and stipulations contained therein. Title to said interest not checked subsequent to date of aforesaid instrument.

c. Interest in oil, gas and other minerals conveyed in deed executed by David L. Gallup to Southwestern Lumber Co., recorded in Volume 85, Page 404, Deed Records, Hardin County, Texas, and being subject to all the terms, conditions and stipulations contained therein. Title to said interest not checked subsequent to date of aforesaid instrument.


e. Conveyance of oil, gas and mineral substances dated June 30, 1992, executed by Santa Fe Energy Resources, Inc. and Santa Fe Energy Operating Partners, L.P. to Black Stone Minerals, recorded in Volume 952, Page 617, Official Public Records, Hardin County, Texas, and being subject to all the terms, conditions and stipulations contained therein. Title to said interest not checked subsequent to date of aforesaid instrument.

f. All leases, grants, exceptions or reservations of coal, lignite, oil, gas and other minerals, together with all rights, privileges, and immunities relating thereto, appearing in the Public Records whether listed in Schedule B or not. There may be leases, grants, exceptions or reservations of mineral interest that are not listed.


h. Pending disbursement of the full proceeds of the loan secured by the lien instrument set forth under Schedule "A" hereof, this policy insures only to the extent of the amount actually disbursed, but increases as each disbursement is made in good faith and without knowledge of any defects in, or objections to, the title up to the face amount of the policy. Nothing contained in this paragraph shall be construed as limiting any exception under Schedule "B", or any printed provision of this policy.

i. Any and all liens arising by reason of unpaid bills or claims for work performed or materials furnished in connection with improvements placed, or to be placed, upon the subject land. However, Company does insure the insured against loss, if any, sustained by the insured under this Policy if such liens have been filed with the County Clerk of Jefferson County, Texas prior to the date hereof.
SCHEDULE C

GF Number: 23425-MM

Your Policy will not cover loss, costs, attorney's 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, sub-contractors, laborers and suppliers have been fully paid, and that no mechanic's, laborer's or materialmen'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. Requirement is made that the proposed owner execute a satisfactory Waiver of Inspection and upon execution of said waiver, that an exception to "Rights of Parties in Possession" be placed in Schedule B of the proposed Owner's Policy; in the alternative, should the proposed owner decline to execute said waiver, then requirement is made that an on-ground inspection be made of the subject property and that pursuant to such inspection, should possession by parties other than the proposed owner be apparent, then exception be made in Schedule B of the proposed Owner's Policy to the rights of any and all such parties.

6. For informational purposes, if the undersigned is furnished with a satisfactory current survey of the subject property and said survey reveals no encroachments, overlaps, and/or similar items, then Item No. 2 of Schedule B of the proposed Loan Policy may be amended to read: "Shortages in Area"; upon payment of the additional premium as promulgated by the Texas Department of Insurance, the same amendment may be made to Item No. 2 of Schedule B of the proposed Owner's Policy.

7. Upon being furnished satisfactory evidence that taxes, standby fees and assessments by any taxing authority for the year 2017 and prior years have been paid or will be paid at the proposed closing, and upon payment if the additional premium as promulgated by the Texas Department of Insurance, Item No. 3 of Schedule B of the proposed Loan Policy (See Item 5 of Schedule B of this Commitment) may be amended by adding the following sentence after the standard tax exception: "Company insures that standby fees, taxes and assessments by any taxing authority for the year 2018 are not yet due and payable".

8. Upon being furnished satisfactory evidence that the subject property is not subject to "rollback" taxes or assessments by any taxing authority, and upon payment of the additional premium as promulgated by The Texas Department of Insurance, Item No. 3 of Schedule B of the proposed Loan Policy (See Item 5 of Schedule B of this Commitment) may be amended by deleting the words "and subsequent taxes and assessments by any taxing authority for prior years due to change in land usage or ownership."
9. Vendor’s Lien retained in Deed dated August 10, 2015, executed by Catchmark HBU, LLC to S&M Affiliated, Inc., securing payment of one note of even date therewith in the principal amount of $639,614.00, payable to Texas First Bank, recorded under County Clerk’s File No. 2015-57934, Official Public Records, Hardin County, Texas, and said note being additionally secured by deed of trust of even date therewith to Charles T. Doyle, Patrick F. Doyle, Dennis R. Bettison, Darrell A. Apffel, Benjamin Shabot or Ethan Baker, Trustee, recorded under County Clerk’s File No. 2015-57935, Official Public Records, Hardin County, Texas, together with all indebtedness of whatsoever nature, secured or to be secured by said deed of trust, and being subject to the terms, conditions and stipulations contained in said note and deed of trust, and Modification Agreement being recorded under County Clerk’s File No. 2016-67888 and 2017-76959, Official Public Records, Hardin County, Texas.

10. We must be provided with, and reserve the right to amend this commitment upon our review of:

   a. satisfactory verification from the Secretary of State and the Comptroller of Public Accounts that Kountze Pines at Allen Street, LP, is a duly authorized company in good standing; and

   b. a copy of all organizational documents in order to determine who has authority to execute documents involved in the proposed transaction; and

   c. satisfactory verification from the Secretary of State and the Comptroller of Public Accounts that S&M Affiliated, Inc., is an existing corporation in good standing; and

   d. acceptable Resolution authorizing the appropriate officers to execute the necessary closing instruments.

11. Based on the fact that this commitment is issued in anticipation of an interim construction loan being placed on the property, the following requirements are hereby made:

   a. We will require a satisfactory affidavit from owner that no work has begun nor any materials purchased or supplied in connection with the proposed improvements on the subject property. This requirement pertains to the interim loan but must be produced prior to issuance of the policy which is the subject of this commitment;

   b. Upon completion of the construction, we will require satisfactory affidavits from the contractor that all bills have been paid in connection with the construction of the improvements on the subject property.

12. Texas Regional Title, LLC, will follow all of the Rules and Regulations of the Texas Department of Insurance in disbursing any funds provided by the Insured shown on Schedule A of this Commitment. Good funds, as defined in Procedural Rule P-27, shall be in possession of the title company prior to any disbursements.
The following disclosures are made pursuant to Procedural Rule P-21 promulgated by the Texas Department of Insurance:

UNDERWRITER: First American Title Insurance Company, a Nebraska Corporation.

Shareholder owning or controlling, directly or indirectly, ten percent or more of the share of the Underwriter: First American Title Insurance Company is a wholly owned subsidiary of First American Financial Corporation, a public Company formed in Delaware.

Directors: Dennis J. Gilmore, Jeffrey S. Robinson, Mark E. Seaton, Christopher M. Leavell

Officers: President: Dennis J. Gilmore; Senior Vice President, Secretary: Jeffrey S. Robinson; and Chief Financial Officer: Max O. Valdes

AGENT: Texas Regional Title, LLC, a Texas limited liability company

Shareholder, owner, partner or other person having, owning or controlling one percent (1%) or more of the Title Insurance Agent: Ken Nelson Whitlow and Molly Laird Mallet.

Shareholder, owner, partner or other person having, owning or controlling ten percent (10%) or more of an entity that has, owns or controls one percent (1%) or more of the Title Insurance Agent:

If the Title Insurance Agent is a corporation, the following is a list of the members of the Board of Directors:

If the Title Insurance Agent is a corporation, the following is a list of its officers: President: Ken N. Whitlow; Executive Vice President: Molly L. Mallet; Vice Presidents: Vicki L. Robison and Juliana Stringer

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:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owner's Policy</td>
<td>$933.00</td>
</tr>
<tr>
<td>Loan Policy</td>
<td>$0.00</td>
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<tr>
<td>Endorsement Charges</td>
<td>$0.00</td>
</tr>
<tr>
<td>Other</td>
<td>$</td>
</tr>
<tr>
<td>Total</td>
<td>$933.00</td>
</tr>
</tbody>
</table>

Of this total amount $________________________________________ or 15% (complete only one) will be paid to the policy issuing Title Insurance Company; $________________________________________ or 42.5% (complete only one) will be retained by the issuing Title Insurance Agent; and the 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 Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>$42.5%</td>
<td>Hooks Title and Abstract Company</td>
<td>Title Evidence</td>
</tr>
<tr>
<td>$</td>
<td></td>
<td></td>
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<td>$</td>
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</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.**

(This Schedule D is valid only when cover, Schedule A, B, and C are attached)
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
You can get a copy of the policy form approved by the Texas Department of Insurance by calling the Title Insurance Company at 1-888-632-1642 or by calling the title insurance agent that issued the Commitment. The Texas Department of Insurance may revise the policy form from time to time.

You can also get a brochure that explains the policy from the Texas Department of Insurance by calling 1-800-252-3439.

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.

**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.
IMPORTANT NOTICE
To obtain information or make a complaint:

You may call First American Title Insurance Company's toll-free telephone number for information or to make a complaint at:
1-888-632-1642

You may also write to First American Title Insurance Company at:
1 First American Way
Santa Ana, California 92707

You may contact the Texas Department of Insurance to obtain information on companies, coverages, rights or complaints at:
1-800-252-3439

You may write the Texas Department of Insurance:
P.O. Box 149104
Austin, TX 78714-9104
Fax: (512) 475-1771
Web: http://www.tdi.state.tx.us
E-mail: ConsumerProtection@tdi.state.tx.us

PREMIUM OR CLAIM DISPUTES:
Should you have a dispute concerning your premium or about a claim you should contact First American Title Insurance Company first. If the dispute is not resolved, you may contact the Texas Department of Insurance.

ATTACH THIS NOTICE TO YOUR POLICY:
This notice is for information only and does not become a part or condition of the attached document.

AVISO IMPORTANTE
Para obtener información o para someter una queja:

Usted puede llamar al numero de teléfono gratis de First American Title Insurance Company’s para información o para someter una queja al:
1-888-632-1642

Usted también puede escribir a First American Title Insurance Company:
1 First American Way
Santa Ana, California 92707

Puede comunicarse al Departamento de Seguros de Texas para obtener información acerca de compañías, coberturas, derechos o quejas al:
1-800-252-3439

Puede escribir al Departamento de Seguros de Texas:
P.O. Box 149104
Austin, TX 78714-9104
Fax: (512) 475-1771
Web: http://www.tdi.state.tx.us
E-mail: ConsumerProtection@tdi.state.tx.us

DISPUTAS SOBRE PRIMAS O RECLAMOS:
Si tiene una disputa concerniente a su prima o a un reclamo, debe comunicarse con el First American Title Insurance Company primero. Si no se resuelve la disputa, puede entonces comunicarse con el departamento (TDI).

UNA ESTE AVISO A SU POLIZA:
Este aviso es solo para propósitos de información y no se convierte en parte o condición del documento adjunto.
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 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 acquisition 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.

1

<table>
<thead>
<tr>
<th>Contract Number</th>
<th>Census Tract</th>
<th>Acreage</th>
<th>Date of Sale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Street Address</td>
<td>City</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contact Name for Seller</td>
<td>Name of Seller Entity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Only list if owner has owned &lt;36 mos.</td>
<td>Only list if owner has owned &lt;36 mos.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contact Name for Previous Seller</td>
<td>Name of Previous Seller Entity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Seller Address</td>
<td>City</td>
<td>State</td>
<td>Zip</td>
</tr>
</tbody>
</table>

Did the seller acquire the property through foreclosure or deed in lieu of foreclosure?

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>Address</th>
<th>Abbreviated Legal</th>
<th>Acres</th>
</tr>
</thead>
<tbody>
<tr>
<td>a.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>b.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>c.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

2

<table>
<thead>
<tr>
<th>Contract Number</th>
<th>Census Tract</th>
<th>Acreage</th>
<th>Date of Sale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Street Address</td>
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<td></td>
</tr>
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<td>Name of Seller Entity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Only list if owner has owned &lt;36 mos.</td>
<td>Only list if owner has owned &lt;36 mos.</td>
<td></td>
<td></td>
</tr>
<tr>
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<td>Name of Previous Seller Entity</td>
<td></td>
<td></td>
</tr>
<tr>
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<td>City</td>
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</tr>
</tbody>
</table>

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<table>
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<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>a.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>b.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>c.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

If a revised form is submitted, date of submission: 
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><strong>US Representative</strong></th>
<th>District</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>State Senator</th>
<th>District</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>State Representative</th>
<th>District</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Support Letter</th>
<th></th>
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</thead>
<tbody>
<tr>
<td></td>
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</table>

<table>
<thead>
<tr>
<th>City Mayor</th>
<th></th>
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<tbody>
<tr>
<td></td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>County Judge</th>
<th></th>
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</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>School Superintendent</th>
<th>District Name</th>
<th>Email</th>
</tr>
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<tbody>
<tr>
<td></td>
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<td></td>
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<table>
<thead>
<tr>
<th>Address</th>
<th>City</th>
<th>Zip</th>
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<td></td>
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</table>

<table>
<thead>
<tr>
<th>Presiding officer of Board of Trustees</th>
<th>Email</th>
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</thead>
<tbody>
<tr>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Address</th>
<th>City</th>
<th>Zip</th>
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<tbody>
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<td></td>
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</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.
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.

Organizations were identified in the Pre-Application, and there have been no changes.
(If above is checked, these forms may be left **BLANK**)

1.  
<table>
<thead>
<tr>
<th>Name of Organization</th>
<th>Contact Name</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Address</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>City</td>
<td></td>
</tr>
<tr>
<td>Zip</td>
<td>Phone</td>
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<tr>
<td></td>
<td>Fax or Email</td>
</tr>
</tbody>
</table>

2.  
<table>
<thead>
<tr>
<th>Name of Organization</th>
<th>Contact Name</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
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<tr>
<td>Address</td>
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<td>City</td>
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<tr>
<td>Zip</td>
<td>Phone</td>
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<tr>
<td></td>
<td>Fax or Email</td>
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</tbody>
</table>

3.  
<table>
<thead>
<tr>
<th>Name of Organization</th>
<th>Contact Name</th>
</tr>
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<tbody>
<tr>
<td></td>
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<td>Address</td>
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<td>Zip</td>
<td>Phone</td>
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<td></td>
<td>Fax or Email</td>
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</tbody>
</table>

4.  
<table>
<thead>
<tr>
<th>Name of Organization</th>
<th>Contact Name</th>
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<tbody>
<tr>
<td></td>
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</tr>
<tr>
<td>Address</td>
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<td>City</td>
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<td>Zip</td>
<td>Phone</td>
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<tr>
<td></td>
<td>Fax or Email</td>
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</tbody>
</table>

5.  
<table>
<thead>
<tr>
<th>Name of Organization</th>
<th>Contact Name</th>
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<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Address</td>
<td></td>
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<tr>
<td>City</td>
<td></td>
</tr>
<tr>
<td>Zip</td>
<td>Phone</td>
</tr>
<tr>
<td></td>
<td>Fax or Email</td>
</tr>
</tbody>
</table>
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.

Re-notifications made at Application (Competitive HTC only):

The pre-application for this full Application met all threshold requirements, but all required entities were re-notified as required by §10.203 of the Uniform Multifamily Rules. As applicable, all changes in the Application have been made on the Elected Officials and/or Neighborhood Organizations Form(s).

Notifications made at Application:

No pre-application was submitted, and all required entities were notified as required by §10.203 of the Uniform Multifamily Rules.

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]

[Printed Name]

Date: [Date]

Notarize on next page
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 day of , 2018

Notary Public Signature
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:

   General

   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.

   Pines at Allen Street will be a new construction, 80-unit, general population development located in the rural jurisdiction of the City of Kountze. The development will have 1-, 2-, 3-, and 4-bedroom units and will include 15% market units.

   If a revised form is submitted, date of submission:
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>CHDO Operating Expenses Grant</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Housing Tax Credits</td>
<td>$979,220</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>USDA</td>
</tr>
<tr>
<td>Nonprofit</td>
<td>CHDO</td>
</tr>
<tr>
<td>USDA</td>
<td>SH/SR</td>
</tr>
<tr>
<td>USDA</td>
<td></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? **No**

If yes, source: ________________________________________

Will this site/activity receive non-TDHCA federal funding for costs described in this Application? **No**

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.

**X** 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))**
   - # of Units: 80
   - Points: 10

   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:

     | Bedroom Size | 0 | 1 | 2 | 3 | 4 |
     |--------------|---|---|---|---|---|
     | Square Footage | 500 | 600 | 800 | 1,000 | 1,200 |

   - **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).
     - 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)]

<table>
<thead>
<tr>
<th>Bedroom Size</th>
<th>Points claimed:</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>8</td>
</tr>
<tr>
<td>1</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Square Footage</th>
<th>Points claimed:</th>
</tr>
</thead>
<tbody>
<tr>
<td>550</td>
<td></td>
</tr>
<tr>
<td>650</td>
<td></td>
</tr>
<tr>
<td>850</td>
<td></td>
</tr>
<tr>
<td>1,050</td>
<td></td>
</tr>
<tr>
<td>1,250</td>
<td></td>
</tr>
</tbody>
</table>

- Development is Rehabilitation and either Supportive Housing or USDA financed OR meets the minimum size requirements identified below:
- Specific amenities and quality features will be provided in every Unit at no extra charge to the tenant; 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: 0
- At least 20 percent of all low-income Units at 30% or less of AMGI or, for a Development located in a Rural Area, 7.5 percent of all low-income Units at 30% or less of AMGI*  
  Direct Loan Points: 0
- At least 5 percent of all low-income Units at 30% or less of AMGI*  
  Direct Loan Points: 0

* 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)]

<table>
<thead>
<tr>
<th>Points claimed:</th>
</tr>
</thead>
<tbody>
<tr>
<td>21</td>
</tr>
<tr>
<td>6</td>
</tr>
<tr>
<td>15</td>
</tr>
<tr>
<td>22.06%</td>
</tr>
</tbody>
</table>

- Development is located in a Non-Rural Area of the Dallas, Fort Worth, Houston, San Antonio or Austin MSA; or  
  Points claimed: 0
- Development is Rehabilitation and either Supportive Housing or USDA financed OR meets the minimum size requirements identified below:
- Development Activities (Continued)

#### 4. Rent Levels of Tenants (Competitive HTC Applications only) [§11.9(c)(2)]

- At least 20% (less Units used for eligibility for boost) of all low-income Units are restricted at 30% or less of AMGI; development is Supportive Housing proposed by a Qualified Nonprofit Organization.  
  Points claimed: 0
- Development is urban and at least 10% (less Units used for eligibility for boost) of all low-income Units are restricted at 30% or less of AMGI; or  
  Points claimed: 0
- Development is located in a Rural Area and 7.5% (less Units used for eligibility for boost) of all low-income Units are restricted at 30% or less of AMGI; or  
  Points claimed: 11
- At least 5% of all low-income Units at 30% or less of AMGI  
  Points claimed: 0
5. **Tenant Services (Competitive HTC Applications and Direct Loan Applications) [§11.9(c)(3) and §13.6(6)]**

   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.

   - [x] Supportive Housing Development proposed by a Qualified Nonprofit
     - Points Claimed: 0
   - [x] All other Developments.
     - Points Claimed: 9
   - [x] 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.
     - Points Claimed: 10

6. **Tenant Populations with Special Housing Needs (Competitive HTC, MFDL, and Section 811 Applications) [§11.9(c)(7); §13.6(6)]**

   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)
     - Attached behind this tab is the executed Certification for Section 811 PRA Program Participation.
     - Points Claimed: 0

   **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
     - Attached behind this tab is the executed Certification for Section 811 PRA Program Participation.
     - Points Claimed: 0

   **C**  
   - 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. MFDL Applications that are not layered with 2018 9% HTC 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.
     - 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 available that are restricted for persons with disabilities.
         - A Development having a preference for Persons with Disability 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 (please explain)

   - 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.  
   - **Score:** 0

8. **Extended Affordability (Competitive HTC Applications only) [§11.9(e)(5)]**
   - Development will maintain a 35 year Affordability Period.  
   - **Score:** 2

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.  
   - **Score:** 0

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.  
    - **Score:** 1

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.  
    - **Score:** 0
Section 811 Narrative

The Applicant and Affiliates of the Applicant do not have an ownership interest or control of any Existing Development that is included on the Texas Department of Housing and Community Affairs (“TDHCA”) List of Eligible Existing Developments for Participation in the Section 811 PRA Program (the “TDHCA Existing Development List”) for which Applicants and Affiliates possess legal authority to commit Section 811 PRA Program units in the Existing Development.

Affiliates of the Applicant are associated with five developments on the TDHCA Existing Development List:

1. Gardens at Cobb Park – Confirmed by TDHCA staff not to be eligible for 811 on January 31, 2018
2. Valley at Cobb Park – Confirmed by TDHCA staff not to be eligible for 811 on January 31, 2018
3. Retreat at Westlock – Confirmed by TDHCA staff not to be eligible for 811 on January 31, 2018
4. Villa Brazos
5. Village at Palm Center

In the attached January 31, 2018 email from Spencer Duran of TDHCA, Mr. Duran confirmed that Gardens at Cobb Park, Valley at Cobb Park, and Retreat at Westlock are not eligible for participation in 811 due to 100% Section 8 rental subsidy, and limitation to 62+ populations, respectively (see attached).

Villa Brazos and Village at Palm Center are ineligible for participation in Section 811 because financing partners have a legal right to withhold approval for the properties to participate in Section 811, and these third parties have withheld such consent. Evidence of Applicant’s inability to commit 811 units for Villa Brazos was submitted to TDHCA on February 14, 2018 and for Village at Palm Center on February 20, 2018.
January 29, 2018

Texas Department of Housing and Community Affairs  
Attn: Spencer Duran  
Section 811 Manager  
221 East 11th Street  
Austin, TX 78711

Re: Eligible Existing Developments for Participation in Section 811 PRA Program

Dear Mr. Duran,

We have reviewed the List of Eligible Existing Developments for Participation in the Section 811 PRA Program with release date of December 15, 2017. Five Developments that we are associated with are listed. However, these listed Developments do not meet the criteria to be a part of the Section 811 PRA Program. Below is are the Developments and the reason for not meeting the criteria.

- Gardens at Cobb Park – 100% of the units at this Development are Section 8 Project Based Vouchers. The HAP Agreement is attached as Exhibit A.
- Valley at Cobb Park – 100% of the units at this Development are Section 8 Project Based Vouchers. The HAP Agreement is attached as Exhibit B.
- Villa Brazos – The equity investor has issued a letter advising they are unable to provide approval for Section 811 units in the development. Their letter is attached as Exhibit C.
- Village at Palm Center – The equity investor has issued a letter advising they are unable to provide approval for Section 811 units in the development. Their letter is attached as Exhibit D.
- Retreat at Westlock – The units are reserved for residents 62 years of age or older. The TDHCA LURA is attached as Exhibit E.

If you have any further questions, or need further documentation, please contact me at apps@itexgrp.com.

Sincerely,

Miranda Sprague  
Vice President of Real Estate Development

www.ITEXgrp.com
Section 811 Project Rental Assistance Program
List of Eligible Existing Developments for Participation in the Section 811 PRA Program

Release Date: December 15, 2017

Purpose

The attached list reflects those properties that Department staff has identified as facially satisfying the Section 811 Project Rental Assistance Program (Section 811 PRA Program) qualification requirements for Existing Developments described below. If a 2018 Multifamily Program applicant is intending to participate in the Section 811 PRA Program through using an Existing Development in their portfolio, the Existing Development they select should be reflected on this list.

The list is to help streamline the process of identifying Developments eligible to participate in the 811 Program. Inclusion or absence of a property from the list does not, alone, preclude its use by an Applicant. The final Multifamily Rules and Application Manual will specify how the Applicant should indicate this selection in their Application.

Existing Development Criteria

This list reflects those active properties of five or more units in the Department’s CMTS database that:

- Meet the following criteria:
  - Received an award under a Department administered program in or after 2002 or otherwise approved by the Department,
  - Are located within an Eligible MSA and not already exceeding the maximum 811 Unit commitment,
  - Have a UPCS score of at least 80 on its most recent TDHCA REAC inspection or has not yet had a UPCS inspection, and
  - Have an occupancy rate of at least 85% or have not yet submitted a Unit Status Report; OR
- Properties otherwise approved by the Department; OR
- Properties already participating in the Section 811 PRA Program.

It should be noted that inclusion on the list does not necessarily mean that this property is formally approved for 811 participation (e.g., environmental considerations, exceeding the integrated housing caps, etc.).
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<thead>
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</table>
Miranda,

The definition in 10 TAC §8.1(8) for Existing Development is “Existing Development--for purposes of 811 PRA Program participation, a property within the Department's portfolio that is not actively applying for multifamily funds at the time, and is being considered to serve as the Eligible Multifamily Property as part of an Applicant’s or an Affiliate's current application. For full applications made on or after January 1, 2018, Existing Developments do not include properties for which the only Ownership interest is through the participation of a Historically Underutilized Business, which owns less than 50% of an Existing Development.”

Prospective Applicants for the 2018 Multifamily Cycle had the opportunity to request removal of properties from the List of Eligible Existing Developments for Participation in the Section 811 PRA Program between November 1, 2017 and November 17, 2017.

The Rule is clear that an Existing Development may not be considered if an Applicant can establish its lack of legal authority to commit Section 811 PRA Program units in an Existing Development. We agree that Valley at Cobb Park, Retreat at Cobb Park, and Retreat at Westlock have existing use restrictions that prohibit the units from housing 811 PRA tenants. This information should be submitted as an attachment to Tab 19 with your Multifamily Application. However, we do not agree that the documentation you provided demonstrates a lack of legal authority for Villa Brazos and Village at Palm Center.

At issue is how an Applicant that has an Existing Development that could comply with method A to obtain “811 points” but encounters a legal impediment to committing that property should document the situation to support pursuing the point election under B.

First, the Applicant needs to provide evidence that a third party has a legal right to withhold approval for that property to commit voluntarily to 811 participation. Simply saying that they are a lender and a lender needs to consent is insufficient. It is necessary to provide the specific legally enforceable agreement or other instrument that gives the lender the unambiguous legal right to withhold that consent.

Second, it is necessary to document that the lender (or other third party) that had the legal right to withhold a required consent was asked to give their consent. A minimal request such as “please confirm agreement to the property’s participation in the 811 program” would generally be scrutinized by staff. Staff believes that the financial benefits that are derived at the property level by participation in the 811 program are substantial and should be disclosed in connection with the request so that the party being asked for consent is making an informed decision. In the prior round the staff received enquiries from a number of lenders and provided assurances in this regard.

So, third would be documentation that the third party possessing the legal right to withhold a required consent has, in fact, done so.
In this scenario, provide the agreement or other instrument as an attachment to Tab 19 that prevents an Existing Development from housing 811 PRA tenants.

In addition, in accordance with 10 TAC §10.207(a)(1), Waiver requests for items that were elected to meet scoring criteria or where the Applicant was provided a menu of options to meet the requirement will not be considered under this paragraph.

Thank you,

Spencer

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.

From: Miranda Sprague [mailto:miranda.sprague@itexgrp.com]
Sent: Monday, January 29, 2018 3:59 PM
To: Spencer Duran; Bill Cranor
Cc: Audrey Martin; Michelle Harder; melissa.giacona
Subject: Section 811 Letter in Response to Section 811 List

Good afternoon Mr. Durran and Mr. Cranor,

Please see the attached letter in regards to the Section 811 list of developments issued by TDHCA. Can you please confirm receipt of this email?

Thank you,
Miranda Sprague, Vice President of Real Estate Development

ITEX
3735 Honeywood Court, Port Arthur, Texas 77642
Miranda_Sprague@itexgrp.com
Direct: 409.853.3681 | Cell: 409.720.7803 | Fax: 409.721.6603
FW: Villa Brazos - Section 811 Information

1 message

Bender, Regina S <regina.s.bender@baml.com>  Wed, Feb 14, 2018 at 2:53 PM
To: "chris.akbari@itexgrp.com" <chris.akbari@itexgrp.com>, Miranda Sprague <miranda.sprague@itexgrp.com>
Cc: "Laird, Kimberly" <kimberly.laird@baml.com>

Chris/Miranda: This is in response to your recent request to consider the implementation of Section 811 for Villa Brazos. Attached is a letter formalizing the Bank’s decision to decline the Section 811 Subsidy.

The Section 811 Program would require the Partnership to enter into a Use Agreement and a Participation Agreement. Under Section 8.03(i) of the Partnership Agreement, the GP cannot “otherwise encumber all or any portion of the Project” without LP consent. Entering those agreements would fit under this restriction.

Please let me know if you would like to discuss further.

Thanks,

Gina

---

Gina Bender
SVP; Team Leader
Tax Credit Equity Investments Asset Management
Bank of America Merrill Lynch
Bank of America, N.A.
MA1-225-02-02 | 225 Franklin Street | Boston, MA 02110
T 617.346.1426 F 617.346.2724
regina.s.bender@baml.com
AMENDED AND RESTATED
LIMITED PARTNERSHIP AGREEMENT
OF
FREEPORT VB HOUSING, LP,
A TEXAS LIMITED PARTNERSHIP
by and among
Freeport VB Housing GP, LLC,
a Texas limited liability company,
as General Partner,
Bank of America, N.A.,
as Limited Partner, and
Banc of America CDC Special Holding Company, Inc.,
a North Carolina Corporation
as Special Limited Partner

dated as of May 23, 2013
commence and prosecute appropriate actions with respect to ad valorem taxes payable by the Partnership provided (i) that such action is customary in the area where the Property is located, (ii) any fees or expenses payable by the Partnership, including, but not limited to, attorney’s fees, relating to such action are contingent upon, and in an amount based on a percentage of, the actual savings in such ad valorem taxes achieved by such action, and (iii) General Partner provides Limited Partner written notice of the commencement of such action, which notice will include copies of all materials filed in connection with such action, and General Partner provides to Limited Partner such other reasonable information regarding such action as Limited Partner may from time to time request;

8.03(f) Act in any manner which General Partner knew or should have known will

8.03(g) cause the termination of the Partnership for federal income tax purposes, or

8.03(h) cause the Partnership to be treated for federal income tax purposes as an association taxable as a corporation;

8.03(i) Sell, convey, lease or otherwise encumber (other than Residential Leases complying with the provisions of this Agreement) all or any portion of the Project or other Property except as provided in the Loan Documents or required by any Governmental Authority;

8.03(j) Withdraw, admit or substitute a General Partner or any other Partner;

8.03(k) Make a loan of Partnership funds to any Person including General Partner or any Affiliate;

8.03(l) Borrow funds in the name of the Partnership (except for the Loans), refinance the Loans, or incur any indebtedness for borrowed money except for trade payables in the normal course of business;

8.03(m) Dissolve the Partnership;

8.03(n) Amend this Agreement;

8.03(o) Amend, or cause the Partnership to amend, any Loan Document;

8.03(p) Make income tax elections, except for those elections which are purely ministerial in nature;

8.03(q) Acquire any real or personal property tangible or intangible in addition to the Project or any replacement of personal property within the Project, the aggregate value of which will exceed $10,000 in a single Fiscal Year (other than easements or similar rights necessary or convenient for the operation of the Project and other than as set forth in the Development Budget or any Annual Budget approved pursuant to the terms of this Agreement) other than as may be required by any Governmental Authority;
February 14, 2018

Freeport VB Housing, LP
 c/o Freeport VB Housing GP, LLC
 9 Greenway Plaza, Suite 1250
 Houston, TX 77046

RE: Freeport VB Housing

Dear Mr. Akbari:

As you know, Bank of America, N.A., is the Limited Partner ("Limited Partner"), and Banc of America CDC Special Holding Company, Inc., a North Carolina Corporation, is the Special Limited Partner ("Special Limited Partner"; Limited Partner and Special Limited Partner may be referred to collectively as "Limited Partners"), in Freeport VB Housing, LP, a Texas Limited Partnership (the "Partnership"). Freeport VB Housing GP, LLC, a Texas Limited Liability Company, the General Partner in the Partnership ("General Partner"), has requested that Limited Partners approve the inclusion of the apartment development owned by the Partnership known as "Villa Brazos Apartments" (the "Project") in the Texas Department of Housing and Community Affairs Section 811 Project Rental Assistance Program (the "811 Program").

The Limited Partners have reviewed such request and observe that entering into the 811 Program would materially alter the approved underwriting of our Investment. Given the information provided and the impact on our underwriting, the Limited Partners have determined that inclusion of the Project in the 811 Program is not in the best interest of either the Project or the Limited Partners. Therefore, the Limited Partners do not approve the Project being included in the 811 Program.

If you have any questions, please contact me.

Sincerely,

Regina S. Bender
Senior Vice President

cc: Barry Palmer, Esq
Edward Hickey
February 19, 2018

Texas Department of Housing and Community Affairs
Attn: Spencer Duran
Section 811 Manager
221 East 11th Street
Austin, TX 78711

RE: 13428 – Village at Palm Center – Houston, Texas
Section 811 Units

Dear Mr. Duran,

As you may be aware, Affordable Housing Partners, Inc., or its affiliate, is the investor Limited Partner in Village at Palm Center in Houston, Texas. We have received a copy of the TDHCA Section 811 List of Eligible Developments for Participation in the Section 811 PRA Program which includes Village at Palm Center. Please be advised that AHP was not aware of any pending request for the provision of Section 811 units, with their long term set aside requirements and limited financial assistance. Since our underwriting did not take these units into consideration, either from a mortgage sizing and/or potential revenue deficit reserve standpoint, we will not be able to provide an approval for 811 PRA units at Village at Palm Center.

Additionally, in response to your inquiry concerning the ability of the General Partner in Village at Palm Center to make decisions concerning such matters as post closing changes to tenancy, income set asides and/or new or modified rental assistance funding changes without the Limited Partners consent, please see Sections 4.1(t) and 6.4(b)(8) of the Partnership Agreement.

If you have any questions, please do not hesitate to contact me at your convenience.

Sincerely,

Robert Johnston
Senior Vice President, Acquisitions
The limited partnership interests evidenced by this Second Amended and Restated Agreement of Limited Partnership (the "Agreement") have not been registered with the Securities and Exchange Commission under the Securities Act of 1933 (the "1933 Act") or pursuant to applicable state securities laws ("Blue Sky Laws"). Accordingly, the limited partnership interests cannot be resold or transferred by any purchaser thereof without registration of the same under the 1933 Act and the Blue Sky Laws of such state(s) as may be applicable, except in a transaction which is exempt from the registration requirements of the 1933 Act and the Blue Sky Laws or which is otherwise in compliance therewith. In addition, the sale or transfer of such limited partnership interests is subject to certain restrictions set forth in this Agreement, including without limitation, the restrictions set forth in Article 8 hereof.
Expenses in the approximate amount of $1,030,362.59 expended by the Partnership for the benefit of Nautical.

"Title Company" means Independence Title Company.

"Upward Adjustor" has the meaning set forth in Section 5.1(c)(ii) of this Agreement.


Article 3
PURPOSE OF THE PARTNERSHIP

The purposes of the Partnership are to (a) acquire the Land, (b) construct residential and retail improvements on the Land (c) lease the retail improvements pursuant to the Master Commercial Lease, (d) separate the improvements constructed on the Land into retail and residential uses, including, but not limited to, the creation of the Residential Unit and the Retail Unit by implementing the Condominium Documents, (e) sell the Retail Unit to the Retail Unit Owner upon creation of the Condominium, (e) own, hold, improve, maintain, operate, develop, sell, mortgage, exchange, finance and lease the Residential Unit, and (f) to engage in any and all general business activities related or incidental thereto. The Partnership may also engage in such other activities as may be reasonably incident or appropriate to furthering the activities of the Partnership with respect to the Apartment Complex and the Land.

Article 4
REPRESENTATIONS, WARRANTIES AND COVENANTS

4.1 Representations, Warranties and Covenants Relating to the General Partner, the Apartment Complex and the Partnership. As of the date hereof, and throughout the term of this Agreement for ongoing covenants described in this Section 4.1, Griggs Road GP hereby represents, warrants and covenants to the Partnership and to the Partners that:

(a) The execution and delivery of this Agreement by Griggs Road GP and the performance by Griggs Road GP of the transactions contemplated hereby have been duly authorized by all requisite corporate, limited liability company, partnership or trust actions or proceedings. Griggs Road GP is duly organized, validly existing and in good standing under the laws of the state of its formation with power to enter into this Agreement and to consummate the transactions contemplated hereby.

(b) At the date hereof and at the time of commencement of construction, the Land is and will be properly zoned for the Apartment Complex, all consents, permissions and licenses required by all applicable governmental entities have been and will have been obtained, and the Apartment Complex conforms and will conform to all applicable federal, state and local land use, zoning, environmental and other governmental laws and regulations, the violation of which would have, or would be likely to have, an adverse effect on the Apartment Complex or the Partnership.
authority to own the Land and to develop, construct, operate and maintain the Apartment Complex in accordance with the terms of this Agreement, and shall have taken and shall continue to take all action under the laws of the State and any other applicable jurisdiction or otherwise that is necessary to protect the limited liability of AHF and to enable the Partnership to engage in its business.

(r) No restrictions on the sale or refinancing of the Apartment Complex, other than the restrictions to be set forth in this Agreement, the Regulatory Agreements and Section 42 of the Code, exist as of the date hereof, and no such restrictions shall, at any time while AHF is a Limited Partner, be placed upon the sale or refinancing of the Apartment Complex.

(s) To the best of its knowledge after due inquiry, at the time of the execution of this Agreement, Griggs Road GP has fully complied with all applicable provisions and requirements of any and all purchase and/or lease agreements, stormwater management agreement and other agreements with respect to the purchase of the Land and the development, financing and operation of the Apartment Complex. It shall take, and/or cause the Partnership to take, all actions as shall be necessary to achieve and maintain continued compliance with the provisions, and fulfill all applicable requirements, of such agreements.

(t) The only tenant eligibility requirements or rent restrictions with which the Apartment Complex and the Partnership must comply, including restrictions necessary to receive the full amount of the Projected Credits, are the following: (i) 178 of the 222 units (the "Tax Credit Units") are subject to occupancy limitation and minimum rent Tax Credit Tests for the term of the Extended Use Agreement, (ii) 11 of the Tax Credit Units are further restricted to tenants whose income is less than 30% of area median income; (iii) 22 of the Tax Credit Units will receive Section 8 rental assistance payments pursuant to the HAP Contract; and (iv) 12 of the units will be targeted to persons with disabilities. Unless AHF gives its Consent, 44 of the units shall at all times be rented or available for rent as "free market" units without regard to any rent restrictions and occupancy limitations imposed under the Code, the Agency, the Extended Use Agreement or from any other source.

(u) The term of the Extended Use Agreement will not exceed 30 years and under the Extended Use Agreement the Partnership shall have the right to cause a termination of the Extended Use Agreement after the end of the Compliance Period, but prior to the end of such 30 year term, in accordance with Section 42(h)(6)(E)(i)(I) of the Code.

(v) All real estate taxes, or payments in lieu thereof, assessments, water and sewer charges and other municipal charges, to the extent due and owing, have been paid in full on the Apartment Complex.

(w) No representation, warranty or statement of Griggs Road GP in this Agreement or in any document, certificate or schedule furnished or to be furnished to any Limited Partner pursuant hereto contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact necessary to make the statements or facts contained therein not misleading.
6.3  **Special Purpose Entity/No Change of Name or Principal Place of Business.**

(a) The General Partner shall engage in no other business or activity other than that of being the General Partner of the Partnership. The General Partner was formed exclusively for the purpose of acting as the General Partner of the Partnership and has never engaged in any other activity, business or endeavor. As of the date of this Agreement, the General Partner has no liabilities or indebtedness other than its liability for the debts of the Partnership, and the General Partner shall not incur any indebtedness other than its liability for the debts of the Partnership. If the General Partner determines it needs additional funds for any purpose, it shall obtain such funds solely from capital contributions from its members. The General Partner has observed and shall continue to observe all necessary or appropriate entity formalities in the conduct of its business. The General Partner shall keep its books and records separate and distinct from those of its members and Affiliates. The General Partner shall clearly identify itself as a legal entity separate and distinct from its members and its Affiliates in all dealings with other Persons.

(b) The General Partner agrees that it shall not, without at least 30 days prior written notification to AHF, change its name or move or otherwise change its principal place of business or state of formation.

6.4  **Limitations Upon the Authority of Griggs Road GP.**

(a) Griggs Road GP shall not have any authority to:

(i) perform any act in violation of any applicable law or regulation thereunder;

(ii) perform any act in violation of the provisions of the Regulatory Agreements, or any other Project Documents;

(iii) do any act required to be approved in writing by AHF under the Act unless the right to do so is expressly otherwise given in this Agreement or unless AHF has provided such approval;

(iv) borrow from, or otherwise misappropriate funds of, the Partnership, commingle Partnership funds with funds of any other Person or use Partnership funds other than for the particular purpose for which such funds were advanced or contributed; or

(v) conduct the business of the Partnership in violation of the Partnership's purposes set forth in Article 3.

(b) Griggs Road GP shall not, without the Consent of AHF, which Consent may be withheld in AHF’s sole and absolute discretion, have any authority to:

(i) sell or otherwise dispose of, at any time, any interest in the Apartment Complex or any other material portion of the assets of the Partnership;

(ii) execute or deliver any general assignment for the benefit of the creditors of the Partnership or file a petition or acquiesce in the filing of a petition for Bankruptcy;
(iii) borrow in excess of $10,000.00 in the aggregate at any one time outstanding on the general credit of the Partnership, except LP Loans, GP Loans and Operating Deficit Loans, and except as and to the extent provided for in an approved budget pursuant to Section 12.5(a) of this Agreement (in considering whether to Consent to any increase in a Project Loan, AHF shall consider the impact on AHF's share of Capital Transaction Proceeds and other items in its sole and absolute discretion);

(iv) except as provided in Section 6.9(d), following Stabilization, construct any new or replacement capital improvements on the Apartment Complex which substantially alter the Apartment Complex or its use or which are at a cost in excess of $10,000.00 in a single Fiscal Year, except (a) replacements and remodeling in the ordinary course of business or under emergency conditions, or (b) reconstruction paid with insurance proceeds, or (c) as and to the extent provided for in an approved budget pursuant to Section 12.5(a) of this Agreement;

(v) acquire or lease any real property in addition to the Apartment Complex other than easements reasonable and necessary for the operation of the Apartment Complex;

(vi) amend, modify or alter the Condominium Documents;

(vii) amend or terminate the HAP Contract except as permitted pursuant to Section 4.1(jj) of this Agreement; or

(viii) take any action requiring the Consent of AHF hereunder without first having obtained such Consent.

6.5 Sale of the Apartment Complex and/or Interests in the Partnership.

(a) At any time after the expiration of the Credit Period, the Partnership shall market and sell the Apartment Complex upon the written request of AHF (a "Sale Request").

(i) A Sale Request may include terms and conditions for such sale which AHF may request, including, but not limited to, a minimum sale price and whether such sale is subject to new financing or to the assumption of any existing financing secured by the Apartment Complex.

(ii) Promptly after the receipt by the General Partner of a Sale Request, and subject to the designation of a Marketing Agent, as defined and set forth in Section 6.5(a)(iii), the General Partner shall cause the Partnership to diligently and continuously market the Apartment Complex, and shall use its best efforts to market and sell the Apartment Complex in accordance with the terms of the Sale Request, subject in all events to the further approval of AHF in its sole discretion of (A) the acceptance of any offer, (B) the price and other terms and conditions of such sale, (C) the identity, management and control of the purchaser in such sale, and (D) the terms and conditions set forth in the definitive purchase agreement and other documents related to such marketing and/or sale.

(iii) In connection with a Sale Request, or at any time thereafter, AHF and the General Partner shall select a mutually acceptable marketing agent or real estate broker for
EXISTING DEVELOPMENT INFORMATION

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 §§236.6702(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.

PART B: DOCUMENTATION MUST SHOW THAT THE APPLICATION PROPOSES TO REHABILITATE OR RECONSTRUCT HOUSING UNITS THAT:

   - Are owned by a public housing authority or a public facility corporation created by a public housing authority under Chapter 303, Local Government Code and receive assistance under Section 9, United States Housing Act of 1937 (42 U.S.C. Section 1437g); OR
   - Received assistance under Section 9, United States Housing Act of 1937 (42 U.S.C. Section 1437g) AND
   - Are proposed to be disposed of or demolished by a public housing authority or a public facility corporation created by a public housing authority under Chapter 303, Local Government Code; OR
   - Were disposed of or demolished within the 2 years preceding the application by a public housing authority or a public facility corporation created by a public housing authority under Chapter 303, Local Government Code; OR
   - Receive assistance or will receive assistance through the Rental Assistance Demonstration (RAD) program of HUD as specified by the Consolidated and Further Continuing Appropriations Act of 2012 (Pub. L. No. 112-55) and its subsequent amendments, if the application for assistance through RAD is included in the applicable public housing authority’s plan that was most recently approved by HUD as specified by 24 C.F.R. Section 903.23.

PART C: THE APPLICATION PROPOSES RELOCATION OF EXISTING UNITS IN AN OTHERWISE QUALIFYING AT-RISK DEVELOPMENT AND DOCUMENTATION MUST SHOW THAT:

   - The affordability restrictions and any At-Risk eligible subsidies are approved to be transferred with the Units proposed for Rehabilitation or Reconstruction prior to the tax credit Carryover deadline; AND
   - The Application proposes the same number of restricted units; AND EITHER
# 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; and
- If applicable, evidence that the relocation plan has been submitted to the appropriate legal or governmental agency.
- 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).

Optional, but only available to developments with no Section 811 PRA or Direct Loan funds. The current property owner is unwilling to provide one or more of the required documents above, and a signed statement from the Applicant attesting to that fact is submitted behind this tab.

## 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).

## 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.

---

**Signature of Applicant**

[Signature]

**Printed Name**

[Printed Name]

**Date**

[Date]
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.

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<th>Signature of Applicant</th>
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Elevations for each side of each building type and must include:

- a percentage estimate of the exterior composition of each elevation
- roof pitch

Photos of building elevations (Rehab and Adaptive Reuse not altering the unit configuration)

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)

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
- 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

Photos of building elevations (Rehab and Adaptive Reuse not altering the unit configuration)
M = S86°42'26"W 635.59'

ALLEN STREET

M = N03°18'30"W 441.05'

M = N86°22'05"E 738.14'

M = N45°27'11"E 154.86'

M = S88°42'26"W 635.59'


EXTERIOR COMPOSITION:
1. 100% MASONRY: 75% FIBER CEMENT BOARD & 25% MASONRY VENEER
2. 30 YEAR ARCHITECTURAL COMPOSITION SHINGLES

UNIT AMENITIES:
1. COVERED ENTRIES
2. 9'-0" CEILINGS IN LIVING ROOM AND BEDROOMS
3. REFRIGERATOR W/ ICE MAKER
4. STORAGE ROOM W/ 9 SF IN ADDITION TO BEDROOM & BATHROOM CLOSETS
5. COVERED PATIOS/BALCONIES
6. 14 SEER HVAC
7. 30-YEAR ROOF
8. GREATER THAN 30% MASONRY BUILDING EXTERIOR
9. WALK-IN CLOSET IN MASTER BEDROOM

MANDATORY DEVELOPMENT AMENITIES:
1. RG-6 COAX & CAT-5E IN ALL BEDROOMS, LIVING ROOM, AND DINING ROOM
2. DISPOSAL AND ENERGY STAR RATED DISHWASHER
3. DISPOSAL AND ENERGY STAR RATED REFRIGERATOR
4. OVEN/RANGE
5. BLOWS ON ALL WINDOWS
9. MIN. 1 ENERGY STAR RATED CEILING FAN PER UNIT
10. ENERGY STAR RATED LIGHTING IN ALL UNITS (COMPACT FLUORESCENT AND LED)
11. PLUMBING FIXTURES MEETING TEXAS HEALTH & SAFETY CODE, CHAPTER 375 PERFORMANCE STANDARDS
12. CENTRAL HEATING AND AC IN ALL UNITS
13. ADEQUATE PARKING SPACES CONSISTENT WITH LOCAL CODE

M = N86°22'05"E 738.14'

FEBRUARY 26, 2018

ALLEN STREET

CITY OF KOUNTZE MINIMUM MULTIFAMILY DEVELOPMENT PARKING REQUIREMENT:
2 PARKING SPACES PER DWELLING UNIT = 160 SPACES MINIMUM
PARKING SPACES PROVIDED IN COMPLEX = 173 SPACES (INCLUDING 15 ACCESSIBLE AND 3 VAN ACCESSIBLE SPACES)

SITE PLAN
SCALE: 1"=125'-0"
IN BUILDING #02, THIS UNIT DESIGNATED AS SENSORY ACCESSIBLE FOR VISUALLY AND HEARING IMPAIRED

IN BUILDING #04, THIS UNIT DESIGNATED AS SENSORY ACCESSIBLE FOR VISUALLY AND HEARING IMPAIRED

SECOND FLOOR PLAN: BUILDING TYPE "1"

FLOOR | NET BUILDING AREA | BREEZEWAYS | PORCHES / BALCONIES | SEPARATION WALLS / EXTERIOR | FIRE CLOSET | TOTAL GROSS BUILDING AREA:
---|---|---|---|---|---|---
FIRST | 6,996 S.F. | 1,323 S.F. | 471 S.F. | 803 S.F. | 12 S.F. | 9,605 S.F.
SECOND | 6,996 S.F. | 1,164 S.F. | 471 S.F. | 803 S.F. | - | 9,434 S.F.
TOTAL: | 13,992 S.F. | 2,487 S.F. | 942 S.F. | 1,606 S.F. | 12 S.F. | 19,039 S.F.
PINES AT ALLEN STREET APARTMENTS
KOUNTZE, TEXAS

(FRONT AND REAR ELEVATIONS MATERIALLY SAME)

1. EXTERIOR ELEVATION: BUILDING TYPE "1"
SCALE: 1" = 30'-0"
1-BED / 2-BED BUILDING

2. SIDE ELEVATION: BUILDING TYPE "1"
SCALE: 1" = 30'-0"
1-BED / 2-BED BUILDING

3. SIDE ELEVATION: BUILDING TYPE "1"
SCALE: 1" = 30'-0"
1-BED / 2-BED BUILDING

EXTERIOR COMPOSITION:
1. 100% MASONRY: 75% FIBER CEMENT BOARD & 25% MASONRY VENEER
2. 30 YEAR ARCHITECTURAL COMPOSITION SHINGLES

FEBRUARY 26, 2018
EXTERIOR ELEVATION: BUILDING TYPE "2"
SCALE: 1" = 30'-0"
2-BED / 3-BED BUILDING

SIDE ELEVATION: BUILDING TYPE "2"
SCALE: 1" = 30'-0"
2-BED / 3-BED BUILDING

SIDE ELEVATION: BUILDING TYPE "2"
SCALE: 1" = 30'-0"
2-BED / 3-BED BUILDING

EXTERIOR COMPOSITION:
1. 100% MASONRY: 75% FIBER CEMENT BOARD & 25% MASONRY VENEER
2. 30 YEAR ARCHITECTURAL COMPOSITION SHINGLES

FEBRUARY 26, 2018
PINES AT ALLEN STREET APARTMENTS
KOUNTZE, TEXAS

SECOND FLOOR PLAN: BUILDING TYPE "3"
2-BED / 3-BED / 4-BED BUILDING

BUILDING TYPE 3

<table>
<thead>
<tr>
<th>FLOOR</th>
<th>NET BUILDING AREA</th>
<th>BREEZEWAYS</th>
<th>PORCHES / BALCONIES</th>
<th>SEPARATION WALLS / EXTERIOR</th>
<th>FIRE CLOSET</th>
<th>TOTAL GROSS BUILDING AREA:</th>
</tr>
</thead>
<tbody>
<tr>
<td>FIRST</td>
<td>8,834 S.F.</td>
<td>1,502 S.F.</td>
<td>549 S.F.</td>
<td>956 S.F.</td>
<td>12 S.F.</td>
<td>11,853 S.F.</td>
</tr>
<tr>
<td>SECOND</td>
<td>8,834 S.F.</td>
<td>1,343 S.F.</td>
<td>549 S.F.</td>
<td>956 S.F.</td>
<td></td>
<td>11,682 S.F.</td>
</tr>
<tr>
<td>TOTAL:</td>
<td>17,668 S.F.</td>
<td>2,845 S.F.</td>
<td>1,098 S.F.</td>
<td>1,912 S.F.</td>
<td>12 S.F.</td>
<td>23,535 S.F.</td>
</tr>
</tbody>
</table>

FIRST FLOOR PLAN: BUILDING TYPE "3"
2-BED / 3-BED / 4-BED BUILDING

BUILDING TYPE "3"
GROSS BUILDING AREA: 23,535 S.F.
NET BUILDING AREA: 17,668 S.F.
1. EXTERIOR ELEVATION: BUILDING TYPE "3"
   SCALE: 1" = 30'-0"
   2-BED / 3-BED / 4-BED BUILDING

2. SIDE ELEVATION: BUILDING TYPE "3"
   SCALE: 1" = 30'-0"
   2-BED / 3-BED / 4-BED BUILDING

3. SIDE ELEVATION: BUILDING TYPE "3"
   SCALE: 1" = 30'-0"
   2-BED / 3-BED / 4-BED BUILDING

EXTERIOR COMPOSITION:
1. 100% MASONRY: 75% FIBER CEMENT BOARD & 25% MASONRY VENEER
2. 30 YEAR ARCHITECTURAL COMPOSITION SHINGLES

FEBRUARY 26, 2018
1. EXTERIOR ELEVATION: BUILDING TYPE "4"
   SCALE: 1" = 30'-0"
   1-BED / 3-BED BUILDING

2. SIDE ELEVATION: BUILDING TYPE "4"
   SCALE: 1" = 30'-0"
   1-BED / 3-BED BUILDING

3. SIDE ELEVATION: BUILDING TYPE "4"
   SCALE: 1" = 30'-0"
   1-BED / 3-BED BUILDING

EXTERIOR COMPOSITION:
1. 100% MASONRY: 75% FIBER CEMENT BOARD & 25% MASONRY VENEER
2. 30 YEAR ARCHITECTURAL COMPOSITION SHINGLES

FEBRUARY 26, 2018
PINES AT ALLEN STREET APARTMENTS
KOUNTZE, TEXAS

FEBRUARY 26, 2018

UNIT TYPE "A" FLOOR PLAN: 1-BEDROOM / 1-BATHROOM
SCALE: 1/8" = 1'-0"
748 NET RENTABLE SQUARE FEET

MANDATORY DEVELOPMENT AMENITIES:
1. RG-2 COAX & CAT-5E IN ALL BEDROOMS, LIVING ROOM, AND DINING ROOM
2. LAUNDRY CONNECTIONS IN UNITS
3. EXHAUST VENTS IN BATHROOMS VENTED TO THE OUTSIDE
4. SCREENS ON ALL OPERABLE WINDOWS
5. DISPOSAL AND ENERGY STAR RATED DISHWASHER
6. ENERGY STAR RATED REFRIGERATOR
7. OVER/N Rabge
8. BLINDS ON ALL WINDOWS
9. MIN. 1 ENERGY STAR RATED CEILING FAN PER UNIT
10. ENERGY STAR RATED LIGHTING IN ALL UNITS (COMPACT FLUORESCENT AND LED)
11. PLUMBING FIXTURES MEETING TEXAS HEALTH & SAFETY CODE, CHAPTER 372 PERFORMANCE STANDARDS
12. CENTRAL HEATING AND AC IN ALL UNITS
13. ADEQUATE PARKING SPACES CONSISTENT WITH LOCAL CODE

UNIT AMENITIES:
1. COVERED ENTRIES
2. 9'-0" CEILINGS IN LIVING ROOM AND BEDROOMS
3. REFRIGERATOR W/ ICE MAKER
4. STORAGE ROOM W/ 9 SF IN ADDITION TO BEDROOM & BATHROOM CLOSETS
5. COVERED PATIOS/BALCONIES
6. 14 SEER HVAC
7. 30-YEAR ROOF
8. GREATER THAN 30% MASONRY BUILDING EXTERIOR
9. WALK-IN CLOSET IN MASTER BEDROOM
PINES AT ALLEN STREET APARTMENTS
KOUNTZE, TEXAS

FEBRUARY 26, 2018

MANDATORY DEVELOPMENT AMENITIES:
1. RG-4 COAX & CAT-SE IN ALL BEDROOMS, LIVING ROOM, AND DINING ROOM
2. LAUNDRY CONNECTIONS IN UNITS
3. EXHAUST VENTS IN BATHROOMS VENTED TO THE OUTSIDE
4. SCREENS ON ALL OPERABLE WINDOWS
5. DISPOSAL AND ENERGY STAR RATED DISHWASHER
6. ENERGY STAR RATED REFRIGERATOR
7. OVER/Range
8. BLINDS ON ALL WINDOWS
9. MIN. 1 ENERGY STAR RATED CEILING FAN PER UNIT
10. ENERGY STAR RATED LIGHTING IN ALL UNITS (COMPACT FLUORESCENT AND LED)
11. PLUMBING FIXTURES MEETING TEXAS HEALTH & SAFETY CODE, CHAPTER 372 PERFORMANCE STANDARDS
12. CENTRAL HEATING AND AC IN ALL UNITS
13. ADEQUATE PARKING SPACES CONSISTENT WITH LOCAL CODE

UNIT AMENITIES:
1. COVERED ENTRIES
2. 9' 4" CEILINGS IN LIVING ROOM AND BEDROOMS
3. REFRIGERATOR & ICE MAKER
4. STORAGE ROOM W/ 9 SF IN ADDITION TO BEDROOM & BATHROOM CLOSETS
5. COVERED PATIOS/BALCONIES
6. 14 SEER HVAC
7. 30-YEAR ROOF
8. GREATER THAN 30% MASONRY BUILDING EXTERIOR
9. WALK-IN CLOSET IN MASTER BEDROOM

UNIT TYPE "B" FLOOR PLAN: 2-BEDROOM / 2-BATHROOM
SCALE: 1/8" = 1'-0"
1,001 NET RENTABLE SQUARE FEET
PINES AT ALLEN STREET APARTMENTS
KOUNTZE, TEXAS

FEBRUARY 26, 2018

MANDATORY DEVELOPMENT AMENITIES:
1. RG-1 COAX & CAT-5E IN ALL BEDROOMS, LIVING ROOM, AND DINING ROOM
2. LAUNDRY CONNECTIONS IN UNITS
3. EXHAUST/FAN VENTS IN BATHROOMS VENTED TO THE OUTSIDE
4. SCREENS ON ALL OPERABLE WINDOWS
5. DISPOSAL AND ENERGY STAR RATED DISHWASHER
6. ENERGY STAR RATED REFRIGERATOR
7. OVEN/RANGE
8. BLINDS ON ALL WINDOWS
9. MIN. 1 ENERGY STAR RATED CEILING FAN PER UNIT
10. ENERGY STAR RATED LIGHTING IN ALL UNITS (COMPACT FLUORESCENT AND LED)
11. PLUMBING FIXTURES MEETING TEXAS HEALTH & SAFETY CODE, CHAPTER 372 PERFORMANCE STANDARDS
12. CENTRAL HEATING AND AC IN ALL UNITS
13. ADEQUATE PARKING SPACES CONSISTENT WITH LOCAL CODE

UNIT AMENITIES:
1. COVERED ENTRIES
2. 9'-0" CEILINGS IN LIVING ROOM AND BEDROOMS
3. REFRIGERATOR W/ ICE MAKER
4. STORAGE ROOM W/ 9 SF IN ADDITION TO BEDROOM & BATHROOM CLOSETS
5. COVERED PATIOS/BALCONIES
6. 14 SEER HVAC
7. 30-YEAR ROOF
8. GREATER THAN 30% MASONRY BUILDING EXTERIOR
9. WALK-IN CLOSETS IN MASTER BEDROOM

UNIT TYPE "B1" FLOOR PLAN: 2-BEDROOM / 2-BATHROOM
SCALE: 1/8" = 1'-0"
1,001 NET RENTABLE SQUARE FEET
COMMUNITY BUILDING: FRONT EXTERIOR ELEVATION

SCALE: 1/16" = 1'-0"

COMMUNITY BUILDING: SIDE EXTERIOR ELEVATION

SCALE: 1/16" = 1'-0"

EXTERIOR COMPOSITION:
1. 100% MASONRY: 75% FIBER CEMENT BOARD & 25% MASONRY VENEER
2. 30 YEAR ARCHITECTURAL COMPOSITION SHINGLES
COMMUNITY BUILDING: REAR EXTERIOR ELEVATION

SCALE: 1/16" = 1'-0"

COMMUNITY BUILDING: SIDE EXTERIOR ELEVATION

SCALE: 1/16" = 1'-0"

EXTERIOR COMPOSITION:
1. 100% MASONRY: 75% FIBER CEMENT BOARD & 25% MASONRY VENEER
2. 30 YEAR ARCHITECTURAL COMPOSITION SHINGLES
### 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 of 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
- Duplex
- Scattered Site
- Fourplex
- X > 4 Units Per Building
- Townhome

**Development will have:**
- [X] Fire Sprinklers
- [ ] Elevators
  - # of Elevators
  - Wt. Capacity

**Number of Parking Spaces (consistent with Architectural Drawings):**
- [ ] Shed or Flat Roof Carport Spaces
- [ ] Attached Garage Spaces
- [X] Uncovered Spaces

**Floor Composition/Wall Height:**
- [X] 8% Carpet/Vinyl/Resilient Flooring
- [ ] % Ceramic Tile
- [ ] % Other

**Net Rentable Square Footage from Rent Schedule:**

<table>
<thead>
<tr>
<th>Supportive Housing Applicants Only</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enter the total development common area from the architect’s plans:</td>
</tr>
<tr>
<td>Ensure that this number matches your architectural drawings.</td>
</tr>
<tr>
<td>The additional square footage allowed for Supportive Housing per 11.9(e)(2) is:</td>
</tr>
<tr>
<td>The lesser of these two numbers added to NRA:</td>
</tr>
<tr>
<td>Use this number to figure points under 11.9(e)(2)</td>
</tr>
<tr>
<td>If a revised form is submitted, date of submission:</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Unit Type</th>
<th># of Bathrooms</th>
<th>Sq. Ft. Per Unit</th>
<th>Number of Stories</th>
<th>Building Label</th>
<th>Number of Stories</th>
<th>Total # of Residential 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</td>
<td>1 1</td>
<td>748</td>
<td>2</td>
<td></td>
<td>2</td>
<td>16</td>
<td>23</td>
<td>72,204</td>
<td></td>
</tr>
<tr>
<td>A-H</td>
<td>1 1</td>
<td>748</td>
<td>1</td>
<td></td>
<td>1</td>
<td>748</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>B</td>
<td>2 2 1,001</td>
<td>8 8</td>
<td>2</td>
<td></td>
<td>2</td>
<td>16</td>
<td>16,016</td>
<td></td>
<td>16,016</td>
</tr>
<tr>
<td>B-H</td>
<td>2 2 1,001</td>
<td>7 8</td>
<td>1</td>
<td></td>
<td>1</td>
<td>15</td>
<td>15,015</td>
<td></td>
<td>15,015</td>
</tr>
<tr>
<td>C</td>
<td>3 2 1,105</td>
<td>8 8</td>
<td>2</td>
<td></td>
<td>1</td>
<td>8</td>
<td>20,995</td>
<td></td>
<td>20,995</td>
</tr>
<tr>
<td>C-H</td>
<td>3 2 1,105</td>
<td>1 1</td>
<td>2</td>
<td></td>
<td>2</td>
<td>1</td>
<td>1,105</td>
<td></td>
<td>1,105</td>
</tr>
<tr>
<td>D</td>
<td>4 2 1,310</td>
<td>3 3</td>
<td>2</td>
<td></td>
<td>1</td>
<td>3</td>
<td>3,930</td>
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</tr>
<tr>
<td>D-H</td>
<td>4 2 1,310</td>
<td>1 1</td>
<td>1</td>
<td></td>
<td>1</td>
<td>1</td>
<td>1,310</td>
<td></td>
<td>1,310</td>
</tr>
<tr>
<td>Totals</td>
<td>52</td>
<td>16</td>
<td>16</td>
<td>16</td>
<td>16</td>
<td>64</td>
<td>80</td>
<td>77,324</td>
<td></td>
</tr>
</tbody>
</table>

**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:**
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>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>A (1/1 748 SF)</td>
<td>24</td>
<td>5%</td>
<td>1.2</td>
<td>1.2</td>
<td>1</td>
</tr>
<tr>
<td>B (2/2 1001 SF)</td>
<td>32</td>
<td>5%</td>
<td>1.6</td>
<td>1.6</td>
<td>1</td>
</tr>
<tr>
<td>C (3/2 1105 SF)</td>
<td>20</td>
<td>5%</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>D (4/2 1310 SF)</td>
<td>4</td>
<td>5%</td>
<td>0.2</td>
<td>1</td>
<td>1</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></td>
<td>5%</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>E</td>
<td></td>
<td></td>
<td>0</td>
<td>0</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: [Signature]

[Printed Name]

[Date]

[ 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.

**Hearing/Visual Calculated Units Required**

<table>
<thead>
<tr>
<th>Unit Description</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>A (1/1 748 SF)</td>
<td>24</td>
<td>2%</td>
<td>0.48</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>B (2/2 1001 SF)</td>
<td>32</td>
<td>2%</td>
<td>0.64</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>C (3/2 1105 SF)</td>
<td>20</td>
<td>2%</td>
<td>0.4</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>D (4/2 1310 SF)</td>
<td>4</td>
<td>2%</td>
<td>0.08</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>E</td>
<td>0</td>
<td>2%</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>80</strong></td>
<td><strong>2%</strong></td>
<td><strong>1.6</strong></td>
<td><strong>4</strong></td>
<td><strong>2</strong></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>Unit Description</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>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>0</td>
<td>2%</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>E</td>
<td>0</td>
<td>2%</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>68</strong></td>
<td><strong>2%</strong></td>
<td><strong>1.36</strong></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: [Signature]
Printed Name: CADE SPELL
Date: 02-27-2018
Firm Name (If applicable): LONG ARCHITECTURE
Accessible Parking Calculation

Include this worksheet in the Application (or a signed and certified worksheet provided by your accessibility professional that shows the calculations).

Parking requirements based on:
https://www.huduser.gov/publications/pdf/fairhousing/

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>173</th>
<th>Percentage of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surface lot</td>
<td>173</td>
<td></td>
</tr>
<tr>
<td></td>
<td>0</td>
<td></td>
</tr>
<tr>
<td></td>
<td>0</td>
<td></td>
</tr>
<tr>
<td></td>
<td>0</td>
<td></td>
</tr>
<tr>
<td></td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>173</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>

---

<table>
<thead>
<tr>
<th>Total # of Spaces:</th>
<th>450</th>
<th>Percentage of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surface lot</td>
<td>300</td>
<td>0.666666667</td>
</tr>
<tr>
<td>Carports</td>
<td>100</td>
<td>0.222222222</td>
</tr>
<tr>
<td>Garages</td>
<td>50</td>
<td>0.111111111</td>
</tr>
<tr>
<td>Facility 4</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Facility 5</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>450</td>
<td>100</td>
<td></td>
</tr>
</tbody>
</table>

---

Use this chart to figure out accessible parking requirements.

chart above must be completed first

(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>18</th>
<th>Distribution</th>
<th>Van Spaces</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surface lot</td>
<td>18</td>
<td>18</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td></td>
<td>0</td>
<td></td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>0</td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>18</td>
<td>18</td>
<td>3</td>
</tr>
</tbody>
</table>

---

<table>
<thead>
<tr>
<th># Accessible Spaces:</th>
<th>16</th>
<th>Distribution</th>
<th>Van Spaces</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surface lot</td>
<td>10.6666667</td>
<td>10</td>
<td>1</td>
</tr>
<tr>
<td>Carports</td>
<td>3.5555556</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>Garages</td>
<td>1.77777778</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Facility 4</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Facility 5</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>16</td>
<td>16</td>
<td>3</td>
</tr>
</tbody>
</table>

---

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]

Printed Name: CADE SPELL

Firm Name (If applicable): LONG ARCHITECTURE

Date: 02-27-2018
### 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):**

<table>
<thead>
<tr>
<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%</td>
<td>2</td>
<td>1</td>
<td>1.0</td>
<td>748</td>
<td>1,496</td>
<td>312</td>
<td>60</td>
<td>252</td>
<td>504</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TC 50%</td>
<td>7</td>
<td>1</td>
<td>1.0</td>
<td>748</td>
<td>5,236</td>
<td>520</td>
<td>60</td>
<td>466</td>
<td>3,220</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TC 60%</td>
<td>10</td>
<td>1</td>
<td>1.0</td>
<td>748</td>
<td>7,480</td>
<td>624</td>
<td>60</td>
<td>564</td>
<td>5,640</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MR</td>
<td>5</td>
<td>1</td>
<td>1.0</td>
<td>748</td>
<td>3,740</td>
<td></td>
<td></td>
<td>720</td>
<td>3,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TC 30%</td>
<td>2</td>
<td>2</td>
<td>2.0</td>
<td>1001</td>
<td>2,002</td>
<td>375</td>
<td>76</td>
<td>299</td>
<td>598</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TC 50%</td>
<td>4</td>
<td>2</td>
<td>2.0</td>
<td>1001</td>
<td>4,004</td>
<td>625</td>
<td>76</td>
<td>459</td>
<td>2,196</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TC 60%</td>
<td>21</td>
<td>2</td>
<td>2.0</td>
<td>1001</td>
<td>21,021</td>
<td>624</td>
<td>76</td>
<td>564</td>
<td>14,154</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
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<td>2</td>
<td>2.0</td>
<td>1001</td>
<td>5,005</td>
<td></td>
<td></td>
<td>865</td>
<td>4,325</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TC 30%</td>
<td>2</td>
<td>3</td>
<td>2.0</td>
<td>1105</td>
<td>2,210</td>
<td>433</td>
<td>90</td>
<td>343</td>
<td>686</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TC 50%</td>
<td>3</td>
<td>3</td>
<td>2.0</td>
<td>1105</td>
<td>3,315</td>
<td>721</td>
<td>90</td>
<td>631</td>
<td>1,893</td>
<td></td>
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</tr>
<tr>
<td>TC 60%</td>
<td>14</td>
<td>3</td>
<td>2.0</td>
<td>1105</td>
<td>15,470</td>
<td>866</td>
<td>90</td>
<td>776</td>
<td>10,864</td>
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</tr>
<tr>
<td>MR</td>
<td>1</td>
<td>4</td>
<td>2.0</td>
<td>1310</td>
<td>1,310</td>
<td>1,044</td>
<td>781</td>
<td>995</td>
<td>701</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TC 30%</td>
<td>2</td>
<td>4</td>
<td>2.0</td>
<td>1310</td>
<td>2,620</td>
<td>966</td>
<td>995</td>
<td>862</td>
<td>1,724</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TC 50%</td>
<td>1</td>
<td>4</td>
<td>2.0</td>
<td>1310</td>
<td>2,620</td>
<td>966</td>
<td>104</td>
<td>862</td>
<td>1,724</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TC 60%</td>
<td>1</td>
<td>4</td>
<td>2.0</td>
<td>1310</td>
<td>2,620</td>
<td>1,110</td>
<td>701</td>
<td>995</td>
<td>701</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### AMFI

<table>
<thead>
<tr>
<th>AMFI</th>
<th>Number of Bedrooms</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>4</td>
</tr>
</tbody>
</table>

### Non Rental Income

- **Non Rental Income** per unit/month: $10.00
- **Non Rental Income** per unit/month: $0.00

+ **TOTAL NONRENTAL INCOME** per unit/month: $10.00

### Total Gross Monthly Income

- **POTENTIAL GROSS MONTHLY INCOME** $53,010
- **Provision for Vacancy & Collection Loss**
  - % of Potential Gross Income: 7.50%
  - (3,976)

### Effective Gross Monthly Income

- **EFFECTIVE GROSS MONTHLY INCOME** $49,034

### Total Gross Annual Income

- **EFFECTIVE GROSS ANNUAL INCOME** $588,411

If a revised form is submitted, date of submission: 164148.075
### Rent Schedule (Continued)

#### HOUSING TAX CREDITS

<table>
<thead>
<tr>
<th>% of LI</th>
<th>% of Total</th>
<th>Total Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>TC30%</td>
<td>9%</td>
<td>8% 6</td>
</tr>
<tr>
<td>TC40%</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>TC50%</td>
<td>22%</td>
<td>19% 15</td>
</tr>
<tr>
<td>TC60%</td>
<td>69%</td>
<td>59% 47</td>
</tr>
<tr>
<td>HTF</td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>HTC LI Total</td>
<td>68</td>
<td></td>
</tr>
</tbody>
</table>

#### MORTGAGE REVENUE BOND

<table>
<thead>
<tr>
<th>% of LI</th>
<th>% of Total</th>
<th>Total Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>MRB30%</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>MRB40%</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>MRB50%</td>
<td>0</td>
<td>0</td>
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<tr>
<td>MRB60%</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>MRB LI Total</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

#### NATIONAL HOUSING TRUST FUND

<table>
<thead>
<tr>
<th>% of LI</th>
<th>% of Total</th>
<th>Total Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>HTF</td>
<td></td>
<td>0</td>
</tr>
<tr>
<td>HTF LI Total</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

#### DIRECT LOAN

<table>
<thead>
<tr>
<th>% of LI</th>
<th>% of Total</th>
<th>Total Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>EO</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>MR</td>
<td>0</td>
<td>0</td>
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<tr>
<td>MR Total</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Direct Loan LI Total</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

#### OTHER

<table>
<thead>
<tr>
<th>% of LI</th>
<th>% of Total</th>
<th>Total Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>OTHER</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

#### BEDROOMS

<table>
<thead>
<tr>
<th>Bedrooms</th>
<th>% of LI</th>
<th>% of Total</th>
<th>Total Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>1</td>
<td>24</td>
<td>24</td>
<td>232</td>
</tr>
<tr>
<td>2</td>
<td>32</td>
<td>32</td>
<td>32</td>
</tr>
<tr>
<td>3</td>
<td>20</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>4</td>
<td>4</td>
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<td>4</td>
</tr>
<tr>
<td>5</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

#### ACQUISITION + HARD

- **Cost Per Sq Ft**: $103.77

#### HARD

- **Cost Per Sq Ft**: $103.77

#### BUILDING

- **Cost Per Sq Ft**: $68.82

*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 [§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.

<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>Cooking</td>
<td>Tenant</td>
<td>Electric</td>
<td>$5.14</td>
<td>$5.72</td>
<td>$6.63</td>
<td>$7.72</td>
<td>Utility Allowance for Hardin County</td>
<td></td>
</tr>
<tr>
<td>Other Electric</td>
<td>Tenant</td>
<td>Electric</td>
<td>$15.49</td>
<td>$19.44</td>
<td>$22.25</td>
<td>$23.24</td>
<td>Effective 10/2/17</td>
<td></td>
</tr>
<tr>
<td>Air Conditioning</td>
<td>Tenant</td>
<td>Electric</td>
<td>$14.00</td>
<td>$21.00</td>
<td>$28.00</td>
<td>$35.00</td>
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</tr>
<tr>
<td>Water Heater</td>
<td>Tenant</td>
<td>Electric</td>
<td>$9.46</td>
<td>$10.85</td>
<td>$11.74</td>
<td>$13.40</td>
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<td></td>
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<tr>
<td>Water</td>
<td>Landlord</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sewer</td>
<td>Landlord</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Trash</td>
<td>Landlord</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Flat Fee</td>
<td>Tenant</td>
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<td>$4.69</td>
<td>$4.69</td>
<td>$4.69</td>
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<tr>
<td>Other</td>
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<td>Total Paid by Tenant</td>
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</table>

Other (Describe)

If a revised form is submitted, date of submission: __________________________

### List of Counties

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<tr>
<th>County</th>
</tr>
</thead>
<tbody>
<tr>
<td>Angelina</td>
</tr>
<tr>
<td>Hardin</td>
</tr>
<tr>
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</tr>
<tr>
<td>Jasper</td>
</tr>
<tr>
<td>Nacogdoches</td>
</tr>
<tr>
<td>Newton County</td>
</tr>
<tr>
<td>Polk County</td>
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<tr>
<td>Sabine County</td>
</tr>
<tr>
<td>San Augustine County</td>
</tr>
<tr>
<td>San Jacinto County</td>
</tr>
<tr>
<td>Shelby</td>
</tr>
<tr>
<td>Trinity</td>
</tr>
<tr>
<td>Tyler</td>
</tr>
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</table>

**Welcome to DETCOG**

RTI: Replenishing the resources of our region for the future.

**List of Counties**

<table>
<thead>
<tr>
<th>County</th>
</tr>
</thead>
<tbody>
<tr>
<td>Angelina</td>
</tr>
<tr>
<td>Hardin</td>
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<td>Sabine County</td>
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<tr>
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### Monthly Dollar Allowance Averages

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<th>2BR</th>
<th>3BR</th>
<th>4BR</th>
<th>5BR</th>
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<tbody>
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<td></td>
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<tr>
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<td>$6.66</td>
<td>$7.66</td>
<td>$8.66</td>
<td>$8.66</td>
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<tr>
<td>b. Bottle Gas / Propane</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>d. Oil / Other</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Cooking</strong></td>
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<tr>
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<td>$5.20</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>c. Electric</td>
<td>$4.98</td>
<td>$5.14</td>
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<td><strong>Air Conditioning</strong></td>
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<td>$28.00</td>
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<td>$9.87</td>
<td>$10.67</td>
<td>$12.19</td>
<td>$14.51</td>
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<td></td>
<td></td>
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<tr>
<td>c. Electric</td>
<td>$8.55</td>
<td>$9.46</td>
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<td>$11.74</td>
<td>$13.40</td>
<td>$15.96</td>
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<td></td>
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<tr>
<td><strong>Water</strong></td>
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<td>$8.00</td>
<td>$9.87</td>
<td>$10.67</td>
<td>$12.19</td>
<td>$14.51</td>
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<td>b. Bottle Gas / Propane</td>
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<tr>
<td>c. Electric</td>
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<td>$9.46</td>
<td>$10.85</td>
<td>$11.74</td>
<td>$13.40</td>
<td>$15.96</td>
</tr>
<tr>
<td>d. Oil / Other</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td><strong>Range / Microwave</strong> Tenant-purchasing/leasing</td>
<td>$3.00</td>
<td>$3.00</td>
<td>$3.00</td>
<td>$3.00</td>
<td>$3.00</td>
<td>$3.00</td>
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<tr>
<td><strong>Refrigerator</strong> Tenant-purchase / leasing</td>
<td>$3.00</td>
<td>$3.00</td>
<td>$3.00</td>
<td>$3.00</td>
<td>$3.00</td>
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<td>Monthly Electric Fee</td>
<td>$4.69</td>
<td>$4.69</td>
<td>$4.69</td>
<td>$4.69</td>
<td>$4.69</td>
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<tr>
<td><strong>Monthly Gas Fee</strong></td>
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<td>$1.66</td>
<td>$1.66</td>
<td>$1.66</td>
<td>$1.66</td>
<td>$1.66</td>
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</table>

### Actual Family Allowances

To be used by the Family to compute allowance. Complete below for the actual unit rented:

- **Name of Family**
- **Address of Unit**
- **Number of Bedrooms/Voucher Size**
- **Utility or Service**
- **Per Month Cost**
  - Heating
  - Cooking
  - Other Electric
  - Air Conditioning
  - Water Heating
  - Water
  - Sewer
  - Trash Collection
  - Range/Microwave
  - Refrigerator
  - Other
  - Total
### ANNUAL OPERATING EXPENSES

#### General & Administrative Expenses
<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounting</td>
<td>$11,000</td>
</tr>
<tr>
<td>Advertising</td>
<td>$3,000</td>
</tr>
<tr>
<td>Legal fees</td>
<td>$3,000</td>
</tr>
<tr>
<td>Leased equipment</td>
<td>$5,000</td>
</tr>
<tr>
<td>Postage &amp; office supplies</td>
<td>$5,000</td>
</tr>
<tr>
<td>Telephone</td>
<td>$5,000</td>
</tr>
<tr>
<td>Other</td>
<td></td>
</tr>
<tr>
<td>Total General &amp; Administrative Expenses:</td>
<td>$32,000</td>
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</tbody>
</table>

#### Management Fee:
- Percent of Effective Gross Income: 5.00%
- Amount: $29,421

#### Payroll, Payroll Tax & Employee Benefits
<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Management</td>
<td>$40,000</td>
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<tr>
<td>Maintenance</td>
<td>$32,500</td>
</tr>
<tr>
<td>Benefits</td>
<td>$20,000</td>
</tr>
<tr>
<td>Other</td>
<td></td>
</tr>
<tr>
<td>Total Payroll, Payroll Tax &amp; Employee Benefits:</td>
<td>$92,500</td>
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</tbody>
</table>

#### Repairs & Maintenance
<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elevator</td>
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<tr>
<td>Exterminating</td>
<td>$5,000</td>
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<tr>
<td>Grounds</td>
<td>$12,500</td>
</tr>
<tr>
<td>Make-ready</td>
<td>$12,000</td>
</tr>
<tr>
<td>Repairs</td>
<td>$15,000</td>
</tr>
<tr>
<td>Pool</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
</tr>
<tr>
<td>Total Repairs &amp; Maintenance:</td>
<td>$44,500</td>
</tr>
</tbody>
</table>

#### Utilities (Enter Only Property Paid Expense)
<table>
<thead>
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<th>Item</th>
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<tbody>
<tr>
<td>Electric</td>
<td>$16,000</td>
</tr>
<tr>
<td>Natural gas</td>
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</tr>
<tr>
<td>Trash</td>
<td>$11,700</td>
</tr>
<tr>
<td>Water/Sewer</td>
<td>$25,000</td>
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<tr>
<td>Other</td>
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</tr>
<tr>
<td>Total Utilities:</td>
<td>$52,700</td>
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</tbody>
</table>

#### Property Taxes:
- Published Capitalization Rate: Source: $44,000
- Total Property Taxes: $44,000

#### Reserve for Replacements:
- Annual reserves per unit: $250
- Total Reserve for Replacements: $20,000

#### Other Expenses
<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cable TV</td>
<td>$2,500</td>
</tr>
<tr>
<td>Supportive Services (Staffing/Contracted Services)</td>
<td>$2,500</td>
</tr>
<tr>
<td>TDHCA Compliance fees</td>
<td>$2,720</td>
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<tr>
<td>TDHCA Bond Administration Fees (TDHCA as Bond Issuer Only)</td>
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<tr>
<td>Security</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
</tr>
<tr>
<td>Total Other Expenses:</td>
<td>$7,720</td>
</tr>
</tbody>
</table>

#### TOTAL ANNUAL EXPENSES
- Expense per unit: $4350
- Total: $348,024

#### NET OPERATING INCOME (before debt service)
- Amount: $240,387

#### Annual Debt Service
- BBVA Compass: $200,137

#### TOTAL ANNUAL DEBT SERVICE
- Debt Coverage Ratio: 1.20
- Total: $200,137

#### NET CASH FLOW
- Amount: $40,251

If a revised form is submitted, date of submission:
<table>
<thead>
<tr>
<th>Position</th>
<th>Salary</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manager</td>
<td>$40,000.00</td>
<td>F/T</td>
</tr>
<tr>
<td>Lead Maintenance</td>
<td>$32,500.00</td>
<td>F/T</td>
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<tr>
<td>Total Payroll</td>
<td>$72,500.00</td>
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<tr>
<td>Benefits</td>
<td>$20,000.00</td>
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<tr>
<td><strong>Total Payroll, Taxes, Benefits</strong></td>
<td><strong>$92,500.00</strong></td>
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</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 proforma period should be attached to this exhibit.

## Income Breakdown

<table>
<thead>
<tr>
<th>Year</th>
<th>Potential Gross Annual Rental Income</th>
<th>Secondary Income</th>
<th>Provision for Vacancy &amp; Collection Loss</th>
<th>Effective Gross Annual Income</th>
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<td>$(47,709)</td>
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<td>$651,831</td>
<td>$9,986</td>
<td>$(49,636)</td>
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<td>$664,868</td>
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<td>$624,426</td>
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<td>$678,165</td>
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<td>$(57,017)</td>
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<td>$826,680</td>
<td>$12,667</td>
<td>$(62,951)</td>
<td>$776,396</td>
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## Expenses Breakdown

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<tr>
<th>Year</th>
<th>General &amp; Administrative Expenses</th>
<th>Management Fee</th>
<th>Payroll, Payroll Tax &amp; Employee Benefits</th>
<th>Repairs &amp; Maintenance</th>
<th>Electric &amp; Gas Utilities</th>
<th>Water, Sewer &amp; Trash Utilities</th>
<th>Annual Property Insurance Premiums</th>
<th>Property Tax</th>
<th>Reserve for Replacements</th>
<th>Other Expenses</th>
<th>TOTAL ANNUAL EXPENSES</th>
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</table>

## Debt Service

<table>
<thead>
<tr>
<th>Year</th>
<th>First Deed of Trust Annual Loan Payment</th>
<th>Second Deed of Trust Annual Loan Payment</th>
<th>Third Deed of Trust Annual Loan Payment</th>
<th>Other Annual Required Payment</th>
<th>ANNUAL NET CASH FLOW</th>
<th>CUMULATIVE NET CASH FLOW</th>
<th>DEBT Coverage Ratio</th>
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<tbody>
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<td>$200,137</td>
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<td>$200,137</td>
<td>$200,137</td>
<td>$52,204</td>
<td>$263,344</td>
<td>1.25</td>
</tr>
<tr>
<td></td>
<td>$200,137</td>
<td>$200,137</td>
<td>$200,137</td>
<td>$200,137</td>
<td>$55,524</td>
<td>$318,848</td>
<td>1.25</td>
</tr>
</tbody>
</table>

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**

**Printed Name**

**Phone:**

**Email:**

**Date**

---

**Signature, Authorized Representative, Syndicator**

**Printed Name**

**Date**

If a revised form is submitted, date of submission:
### 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 mode during the proforma period should be attached to this exhibit.

#### INCOME

<table>
<thead>
<tr>
<th>YEAR</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>$626,520</td>
<td>$639,090</td>
<td>$651,831</td>
<td>$664,868</td>
<td>$678,165</td>
<td>$748,249</td>
<td>$826,680</td>
</tr>
<tr>
<td>Secondary Income</td>
<td>9,660</td>
<td>9,792</td>
<td>9,988</td>
<td>10,188</td>
<td>10,391</td>
<td>11,473</td>
<td>12,667</td>
</tr>
<tr>
<td>POTENTIAL GROSS ANNUAL INCOME</td>
<td>$636,180</td>
<td>$648,842</td>
<td>$661,819</td>
<td>$675,056</td>
<td>$688,557</td>
<td>$760,222</td>
<td>$839,347</td>
</tr>
<tr>
<td>Provision for Vacancy &amp; Collection Loss</td>
<td>($47,709)</td>
<td>($48,663)</td>
<td>($50,639)</td>
<td>($51,642)</td>
<td>($57,017)</td>
<td>($62,995)</td>
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</tr>
<tr>
<td>Rental Concessions</td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EFFECTIVE GROSS ANNUAL INCOME</td>
<td>$588,471</td>
<td>$600,179</td>
<td>$612,183</td>
<td>$624,426</td>
<td>$636,915</td>
<td>$703,206</td>
<td>$776,396</td>
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</table>

#### EXPENSES

<table>
<thead>
<tr>
<th></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>General &amp; Administrative Expenses</td>
<td>$32,000</td>
<td>$32,960</td>
<td>$33,949</td>
<td>$34,967</td>
<td>$36,016</td>
<td>$41,753</td>
<td>$48,403</td>
</tr>
<tr>
<td>Management Fee</td>
<td>25,421</td>
<td>30,009</td>
<td>30,609</td>
<td>31,221</td>
<td>31,846</td>
<td>35,160</td>
<td>38,200</td>
</tr>
<tr>
<td>Payroll, Payroll Tax &amp; Employee Benefits</td>
<td>92,500</td>
<td>95,275</td>
<td>98,133</td>
<td>101,077</td>
<td>104,110</td>
<td>120,692</td>
<td>139,915</td>
</tr>
<tr>
<td>Repairs &amp; Maintenance</td>
<td>44,000</td>
<td>45,320</td>
<td>46,680</td>
<td>48,080</td>
<td>50,522</td>
<td>57,140</td>
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<td>24,201</td>
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<td>Water, Sewer &amp; Trash Utilities</td>
<td>36,700</td>
<td>37,801</td>
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<td>41,306</td>
<td>47,885</td>
<td>55,512</td>
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<td>25,183</td>
<td>25,938</td>
<td>26,717</td>
<td>27,518</td>
<td>28,344</td>
<td>32,858</td>
<td>38,092</td>
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<tr>
<td>Property Tax</td>
<td>44,000</td>
<td>45,320</td>
<td>46,680</td>
<td>48,080</td>
<td>50,522</td>
<td>57,140</td>
<td>66,554</td>
</tr>
<tr>
<td>Reserve for Replacements</td>
<td>20,000</td>
<td>20,600</td>
<td>21,218</td>
<td>21,855</td>
<td>22,510</td>
<td>26,095</td>
<td>30,252</td>
</tr>
<tr>
<td>Other Expenses</td>
<td>7,720</td>
<td>7,952</td>
<td>8,190</td>
<td>8,436</td>
<td>8,689</td>
<td>10,073</td>
<td>11,577</td>
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<tr>
<td>TOTAL ANNUAL EXPENSES</td>
<td>$348,024</td>
<td>$358,170</td>
<td>$368,615</td>
<td>$379,367</td>
<td>$390,436</td>
<td>$450,965</td>
<td>$520,735</td>
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<td>NET OPERATING INCOME</td>
<td>$240,387</td>
<td>$242,059</td>
<td>$243,568</td>
<td>$244,530</td>
<td>$246,426</td>
<td>$252,341</td>
<td>$255,660</td>
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</table>

#### DEBT SERVICE

<table>
<thead>
<tr>
<th></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>First Deed of Trust Annual Loan Payment</td>
<td>$200,137</td>
<td>$200,137</td>
<td>$200,137</td>
<td>$200,137</td>
<td>$200,137</td>
<td>$200,137</td>
<td>$200,137</td>
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<tr>
<td>Second Deed of Trust Annual Loan Payment</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Third Deed of Trust Annual Loan Payment</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Other Annual Required Payment</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

#### ANNUAL NET CASH FLOW

<table>
<thead>
<tr>
<th></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>ANNUAL NET CASH FLOW</td>
<td>$40,251</td>
<td>$41,873</td>
<td>$43,431</td>
<td>$44,922</td>
<td>$46,342</td>
<td>$52,204</td>
<td>$55,524</td>
</tr>
<tr>
<td>CUMULATIVE NET CASH FLOW</td>
<td>$40,251</td>
<td>$82,123</td>
<td>$125,555</td>
<td>$170,477</td>
<td>$226,818</td>
<td>$463,185</td>
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<tr>
<td>Debt Coverage Ratio</td>
<td>1.20</td>
<td>1.21</td>
<td>1.22</td>
<td>1.22</td>
<td>1.23</td>
<td>1.28</td>
<td>1.28</td>
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<tr>
<td>Other (Describe)</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other (Describe)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

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)

---

**Signature, Authorized Representative, Construction or Permanent Lender**

**Signature, Authorized Representative, Syndicator**

If a revised form is submitted, date of submission: [ ]
### 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.

#### INCOME

<table>
<thead>
<tr>
<th></th>
<th>YEAR 1</th>
<th>YEAR 2</th>
<th>YEAR 3</th>
<th>YEAR 4</th>
<th>YEAR 5</th>
<th>YEAR 1D</th>
<th>YEAR 15</th>
</tr>
</thead>
<tbody>
<tr>
<td>POTENTIAL GROSS ANNUAL RENTAL INCOME</td>
<td>$626,520</td>
<td>$639,050</td>
<td>$651,891</td>
<td>$664,868</td>
<td>$678,165</td>
<td>$748,749</td>
<td>$826,680</td>
</tr>
<tr>
<td>Secondary Income</td>
<td>$9,600</td>
<td>$9,792</td>
<td>$9,988</td>
<td>$10,188</td>
<td>$10,391</td>
<td>$11,473</td>
<td>$12,667</td>
</tr>
<tr>
<td>POTENTIAL GROSS ANNUAL INCOME</td>
<td>$636,120</td>
<td>$648,842</td>
<td>$661,819</td>
<td>$675,056</td>
<td>$688,557</td>
<td>$760,222</td>
<td>$839,347</td>
</tr>
<tr>
<td>Provision for Vacancy &amp; Collection Loss</td>
<td>$(547,709)</td>
<td>$(48,663)</td>
<td>$(49,636)</td>
<td>$(50,629)</td>
<td>$(51,642)</td>
<td>$(53,642)</td>
<td>$(55,642)</td>
</tr>
<tr>
<td>Rental Concessions</td>
<td>$0</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EFFECTIVE GROSS ANNUAL INCOME</td>
<td>$588,411</td>
<td>$600,179</td>
<td>$612,183</td>
<td>$624,426</td>
<td>$636,915</td>
<td>$703,206</td>
<td>$776,396</td>
</tr>
</tbody>
</table>

#### EXPENSES

<table>
<thead>
<tr>
<th>Expense Category</th>
<th>YEAR 1</th>
<th>YEAR 2</th>
<th>YEAR 3</th>
<th>YEAR 4</th>
<th>YEAR 5</th>
<th>YEAR 1D</th>
<th>YEAR 15</th>
</tr>
</thead>
<tbody>
<tr>
<td>General &amp; Administrative Expenses</td>
<td>$32,000</td>
<td>$32,960</td>
<td>$33,949</td>
<td>$34,967</td>
<td>$36,016</td>
<td>$41,753</td>
<td>$48,403</td>
</tr>
<tr>
<td>Management Fee</td>
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<td>$30,099</td>
<td>$30,609</td>
<td>$31,221</td>
<td>$31,846</td>
<td>$35,160</td>
<td>$38,820</td>
</tr>
<tr>
<td>Payroll, Payroll Tax &amp; Employee Benefits</td>
<td>$92,500</td>
<td>$95,275</td>
<td>$98,133</td>
<td>$101,077</td>
<td>$104,110</td>
<td>$120,692</td>
<td>$139,915</td>
</tr>
<tr>
<td>Repairs &amp; Maintenance</td>
<td>$44,500</td>
<td>$45,835</td>
<td>$47,210</td>
<td>$48,626</td>
<td>$50,085</td>
<td>$58,062</td>
<td>$67,310</td>
</tr>
<tr>
<td>Electric &amp; Gas Utilities</td>
<td>$16,000</td>
<td>$16,480</td>
<td>$16,974</td>
<td>$17,484</td>
<td>$18,008</td>
<td>$20,876</td>
<td>$24,201</td>
</tr>
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<td>$37,801</td>
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<td>$41,306</td>
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</tr>
<tr>
<td>Annual Property Insurance Premiums</td>
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<td>$25,938</td>
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<td>$32,858</td>
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<tr>
<td>Property Tax</td>
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<td>$45,320</td>
<td>$46,680</td>
<td>$48,080</td>
<td>$49,522</td>
<td>$57,410</td>
<td>$66,554</td>
</tr>
<tr>
<td>Reserve for Replacements</td>
<td>$20,000</td>
<td>$20,600</td>
<td>$21,218</td>
<td>$21,855</td>
<td>$22,510</td>
<td>$26,095</td>
<td>$30,252</td>
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<tr>
<td>Other Expenses</td>
<td>$7,720</td>
<td>$7,952</td>
<td>$8,190</td>
<td>$8,436</td>
<td>$8,692</td>
<td>$10,073</td>
<td>$11,677</td>
</tr>
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<td>TOTAL ANNUAL EXPENSES</td>
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<td>$358,170</td>
<td>$368,615</td>
<td>$379,367</td>
<td>$390,436</td>
<td>$450,865</td>
<td>$520,735</td>
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</tbody>
</table>

#### NET OPERATING INCOME

<table>
<thead>
<tr>
<th></th>
<th>YEAR 1</th>
<th>YEAR 2</th>
<th>YEAR 3</th>
<th>YEAR 4</th>
<th>YEAR 5</th>
<th>YEAR 1D</th>
<th>YEAR 15</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$240,387</td>
<td>$242,009</td>
<td>$243,568</td>
<td>$245,059</td>
<td>$246,342</td>
<td>$252,204</td>
<td>$255,660</td>
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</table>

#### DEBT SERVICE

<table>
<thead>
<tr>
<th>Service Category</th>
<th>YEAR 1</th>
<th>YEAR 2</th>
<th>YEAR 3</th>
<th>YEAR 4</th>
<th>YEAR 5</th>
<th>YEAR 1D</th>
<th>YEAR 15</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Deed of Trust Annual Loan Payment</td>
<td>$200,137</td>
<td>$200,137</td>
<td>$200,137</td>
<td>$200,137</td>
<td>$200,137</td>
<td>$200,137</td>
<td>$200,137</td>
</tr>
<tr>
<td>Second Deed of Trust Annual Loan Payment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Third Deed of Trust Annual Loan Payment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Annual Required Payment</td>
<td></td>
<td></td>
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<td></td>
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<td></td>
</tr>
<tr>
<td>Other Annual Required Payment</td>
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<td></td>
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<tr>
<td>ANNUAL NET CASH FLOW</td>
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<td>$43,431</td>
<td>$44,922</td>
<td>$46,342</td>
<td>$52,204</td>
<td>$55,524</td>
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<tr>
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<td>$82,123</td>
<td>$125,555</td>
<td>$170,477</td>
<td>$216,819</td>
<td>$463,185</td>
<td>$732,505</td>
</tr>
</tbody>
</table>

#### Debt Coverage Ratio

|                      | 1.20 | 1.21 | 1.22 | 1.22 | 1.23 | 1.24 | 1.25 |

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)(l) relating to Financial Feasibility)

---

**Signature, Authorized Representative, Construction or Permanent Lender**

**Signature, Authorized Representative, Syndicator**

---

Phone: __________ Email: __________

Date: ____________

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>
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<tbody>
<tr>
<td>Off-site utilities - Water line</td>
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<td></td>
<td></td>
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<table>
<thead>
<tr>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

If a revised form is submitted, a registered engineer must sign and date the form.

Signature of Registered Engineer responsible for Budget Justification

Printed Name: Jeremy Mitchell

Date: 2/28/18

For Kountze at Allen Street

STATE OF TEXAS

PROFESSIONAL ENGINEER

License No.: 116941

Expiration Date: 2/28/19
February 22, 2018

Miranda Ashline
Kountze Pines at Allen Street, LP
3737 Honeywood Court
Port Arthur, TX 77642

Re: Executive Summary
Feasibility Study for Kountze Pines at Allen Street – Kountze, Texas

Dear Ms. Ashline:

Submitted for your use is the requested feasibility study and supporting information for the Kountze Pines at Allen Street site in Kountze, Texas. This report includes general information regarding the City of Kountze and nearby existing utilities. The information included in this Executive Summary and Feasibility Report was obtained through both the review of the City of Kountze Ordinance as well through phone, email and in person conversations with City of Kountze employees. Below are the highlights and additional information related to the site development.

Planning, Zoning and Permitting:

The City of Kountze does not have a zoning ordinance. Listed in the Main City ordinance are minimum building setback lines. Fees are required for utility taps. The Site Plan and Construction Plans are reviewed and evaluated by a building official who has the authority to approve the plans and issue permits. Though it is not required, it is recommended that the preliminary site plan be reviewed by the City prior to full construction plans being developed.

Codes and Ordinances:

The City of Kountze uses the 2015 International Building and Fire Codes and the 2014 Electrical Code. Attention should be made to site design in relation to fire hydrant spacing, fire vehicle access routes and fire lane widths. The designer should work with the local fire department to ensure the site meets their requirements.

Utilities:

A 4” sanitary sewer force main exists along Allen Street in front of the proposed site. A lift station will be required for the site and it will need to tie into the 4” force main. A 6” water line runs along a portion of the proposed site and continues as a 3” waterline. The 3” waterline will need to be replaced with a 6” waterline. Drainage from the site currently drains southerly towards Allen Street and northerly towards Pea Monk Branch. The City of Kountze does not require detention ponds but due to the limited capacity of the existing Allen Street ditch we anticipate the need for a detention pond.
All information related to applicable Codes and Ordinances is summarized in Feasibility Study and is available at the City of Kountze.

If you have any questions, please contact us.

For the Firm,

Jeremy Mitchell, PE

[Signature]

[Stamp]

2/22/18
PINES AT ALLEN STREET APARTMENTS

Natural Gas
A. Agency Name: City of Kountze
B. Existing Service: Gas available east & west of site along the right-of-way of Allen Street

Telephone
A. Agency Name: At&t
B. Existing Service: Unknown at this time, however, it is assumed to be located in the existing right-of-way of Allen Street.

Cable
A. Agency Name: Spectrum Cable
B. Existing Service: Unknown at this time, however, it is assumed to be located in the existing right-of-way of Allen Street.

Wastewater
A. Agency Name: City of Kountze Water Department
B. Existing Capacity: Adequate, no issues during initial City meeting.
C. Existing Capacity: 4” Force main along Allen Street. Gravity Eight (8”) inch in the ROW of Allen Street West of the project and Gravity Eight (8”) inch crossing Allen Street East of the project.
D. Line Depth: Gravity line is shallow (per Public Works Director)
E. Special Requirements
   1. Lift Station Yes – A lift station will be required. Lift station will be on property within a utility easement. Lift station will be owned and maintained by City.
   2. Grease Trap Unknown at this time
   3. Capacity/Impact Fees: No

Water
F. Agency Name: City of Kountze Water Department
G. Existing Service: Public
H. Existing Capacity: Six (6”) inch in the ROW of Allen Street, east of project. Eight (8”) inch in Allen Street, west of project. Three (3”) inch in the south right-of-way of Allen Street in front of project.
I. Offsite Improvements Existing 3” 1850 linear feet waterline from Tubb Street to the existing 8” waterline at Cariker Street will need to be upgraded to 6” waterline.
J. Static Pressure: Unknown
K. Residual Pressure: Unknown
L. Flow: Unknown
M. Impact Fees: None
This 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>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>Rough grading</td>
<td>$ 550,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>On-site concrete</td>
<td>$ 506,525</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>On-site electrical</td>
<td>$ 98,800</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>On-site utilities</td>
<td>$ 436,828</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bumper stops, striping &amp; signs</td>
<td>$ 17,200</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lift Station</td>
<td>$ 70,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>$ 1,679,353</strong></td>
</tr>
</tbody>
</table>

---

Signature of Registered Engineer: [Signature]

Printed Name: Jeremy Mitchell

For Kountz at Allen Street

State of Texas

License No: 116841

Date: 2/28/16

If a revised form is submitted, date of submission: [Date]
### 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:

<table>
<thead>
<tr>
<th>TOTAL DEVELOPMENT SUMMARY</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Cost</td>
<td>Eligible Basis (If Applicable)</td>
<td></td>
</tr>
<tr>
<td>Acquisition Cost</td>
<td>Acquisition</td>
<td>New/Rehab.</td>
</tr>
</tbody>
</table>

#### Acquisition
- **Site acquisition cost**: 110,388
- **Existing building acquisition cost**: 0
- **Closing costs & acq. legal fees**: 0
- **Other (specify) - see footnote 1**: 0
- **Other (specify) - see footnote 1**: 0
- **Subtotal Acquisition Cost**: $110,388

#### Off-Sites
- **Off-site concrete**: 0
- **Storm drains & devices**: 0
- **Water & fire hydrants**: 0
- **Off-site utilities**: 83,000
- **Sewer lateral(s)**: 0
- **Off-site paving**: 0
- **Off-site electrical**: 0
- **Other (specify) - see footnote 1**: 0
- **Other (specify) - see footnote 1**: 0
- **Subtotal Off-Sites Cost**: $83,000

#### Site Work
- **Demolition**: 550,000
- **Asbestos Abatement (Demolition Only)**: 275,000
- **Detention**: 0
- **Rough grading**: 506,525
- **Fine grading**: 253,263
- **On-site concrete**: 98,800
- **On-site electrical**: 98,800
- **On-site paving**: 0
- **On-site utilities**: 436,828
- **Decorative masonry**: 0
- **Bumper stops, striping & signs**: 17,200
- **Lift Station**: 70,000
- **Subtotal Site Work Cost**: $1,679,353

#### Site Amenities
- **Landscaping**: 100,000
- **Pool and decking**: 100,000
- **Athletic court(s), playground(s)**: 98,800
- **Fencing**: 98,800
- **Trash Enclosures**: 32,000
- **Subtotal Site Amenities Cost**: $230,800

### Development Cost Schedule Summary

<table>
<thead>
<tr>
<th>Development Cost Schedule</th>
<th>Per Sales Contract</th>
<th>Water line replacement</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1,151,091</strong></td>
<td><strong>$1,151,091</strong></td>
</tr>
</tbody>
</table>

---

*Self Score Total: 12*
### BUILDING COSTS*

<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>Concrete</td>
<td>795,000</td>
<td>795,000</td>
</tr>
<tr>
<td>Masonry</td>
<td>256,000</td>
<td>256,000</td>
</tr>
<tr>
<td>Metals</td>
<td>86,400</td>
<td>86,400</td>
</tr>
<tr>
<td>Woods and Plastics</td>
<td>1,416,000</td>
<td>1,416,000</td>
</tr>
<tr>
<td>Thermal and Moisture Protection</td>
<td>42,800</td>
<td>42,800</td>
</tr>
<tr>
<td>Roof Covering</td>
<td>300,000</td>
<td>300,000</td>
</tr>
<tr>
<td>Doors and Windows</td>
<td>184,800</td>
<td>184,800</td>
</tr>
<tr>
<td>Finishes</td>
<td>581,400</td>
<td>581,400</td>
</tr>
<tr>
<td>Specialties</td>
<td>16,000</td>
<td>16,000</td>
</tr>
<tr>
<td>Equipment</td>
<td>192,000</td>
<td>192,000</td>
</tr>
<tr>
<td>Furnishings</td>
<td>144,800</td>
<td>144,800</td>
</tr>
<tr>
<td>Special Construction</td>
<td>746,400</td>
<td>746,400</td>
</tr>
<tr>
<td>Mechanical (HVAC, Plumbing)</td>
<td>560,000</td>
<td>560,000</td>
</tr>
</tbody>
</table>

**Individually itemize costs below:**

- Detached Community Facilities/Building
- Carports and/or Garages
- Lead-Based Paint Abatement
- Asbestos Abatement (Rehabilitation Only)
- Structured Parking
- Commercial Space Costs

#### Other (specify) - see footnote 1

Subtotal Building Costs: **$5,321,600**

Before 11.9(e)(2)

**TOTAL BUILDING COSTS & SITE WORK**

<table>
<thead>
<tr>
<th>(including site amenities)</th>
<th><strong>$7,231,753</strong></th>
<th><strong>$0</strong></th>
<th><strong>$6,703,491</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Contingency</td>
<td>5.00%</td>
<td>$365,737</td>
<td>$335,174</td>
</tr>
</tbody>
</table>

#### TOTAL HARD COSTS

<table>
<thead>
<tr>
<th>OTHER CONSTRUCTION COSTS</th>
<th>% THC</th>
<th>Before 11.9(e)(2)</th>
<th>After 11.9(e)(2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>General requirements (&lt;6%)</td>
<td>6.00%</td>
<td>460,829</td>
<td>422,319</td>
</tr>
<tr>
<td>Field supervision (within GR limit)</td>
<td>2.00%</td>
<td>153,609</td>
<td>140,773</td>
</tr>
<tr>
<td>Contractor overhead (&lt;2%)</td>
<td>6.00%</td>
<td>460,829</td>
<td>422,319</td>
</tr>
</tbody>
</table>

**TOTAL CONTRACTOR FEES**

| Before 11.9(e)(2) | $1,075,267 | $0 | $985,411 |

**TOTAL CONSTRUCTION CONTRACT**

| Before 11.9(e)(2) | **$8,755,757** | **$0** | **$8,024,076** |

#### Voluntary Eligible Building Costs (After 11.9(e)(2))

Enter amount to be used to achieve desired score: **$68.82 psf**

**Voluntary Eligible Building Costs**

| Before 11.9(e)(2) | **$5,321,600** | **$0** | **$5,321,600** |

#### Contingency

| Before 11.9(e)(2) | **$365,737** | **$0** | **$335,174** |

#### Total Contactor Fees

| Before 11.9(e)(2) | **$985,411** |

#### Total Construction Contract

| Before 11.9(e)(2) | **$8,024,076** |

---

*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>Description</th>
<th>Per executed architect contract</th>
</tr>
</thead>
<tbody>
<tr>
<td>Architectural - Design fees</td>
<td>152,500</td>
</tr>
<tr>
<td>Architectural - Supervision fees</td>
<td>37,500</td>
</tr>
<tr>
<td>Engineering fees</td>
<td>130,000</td>
</tr>
<tr>
<td>Real estate attorney/other legal fees</td>
<td>50,000</td>
</tr>
<tr>
<td>Accounting fees</td>
<td>12,000</td>
</tr>
<tr>
<td>Impact Fees</td>
<td>10,000</td>
</tr>
<tr>
<td>Building permits &amp; related costs</td>
<td>40,000</td>
</tr>
<tr>
<td>Appraisal</td>
<td>5,500</td>
</tr>
<tr>
<td>Market analysis</td>
<td>4,000</td>
</tr>
<tr>
<td>Environmental assessment</td>
<td>5,240</td>
</tr>
<tr>
<td>Soils report</td>
<td>35,000</td>
</tr>
<tr>
<td>Survey</td>
<td>40,000</td>
</tr>
<tr>
<td>Marketing</td>
<td>10,000</td>
</tr>
<tr>
<td>Hazard &amp; liability insurance</td>
<td>89,768</td>
</tr>
<tr>
<td>Real property taxes</td>
<td>40,000</td>
</tr>
<tr>
<td>Personal property taxes</td>
<td></td>
</tr>
<tr>
<td>Furniture, Fixtures, and Equipment</td>
<td>180,000</td>
</tr>
<tr>
<td>Other (specify) - see footnote 1</td>
<td></td>
</tr>
<tr>
<td>Other (specify) - see footnote 1</td>
<td></td>
</tr>
<tr>
<td><strong>Subtotal Soft Cost</strong></td>
<td><strong>$841,508</strong></td>
</tr>
</tbody>
</table>

## FINANCING:

### CONSTRUCTION LOAN(S)

<table>
<thead>
<tr>
<th>Description</th>
<th>Per executed architect contract</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest</td>
<td>402,300</td>
</tr>
<tr>
<td>Loan origination fees</td>
<td>44,700</td>
</tr>
<tr>
<td>Title &amp; recording fees</td>
<td>75,000</td>
</tr>
<tr>
<td>Closing costs &amp; legal fees</td>
<td>40,000</td>
</tr>
<tr>
<td>Inspection fees</td>
<td>25,000</td>
</tr>
<tr>
<td>Credit Report</td>
<td></td>
</tr>
<tr>
<td>Discount Points</td>
<td></td>
</tr>
<tr>
<td>Other (specify) - see footnote 1</td>
<td></td>
</tr>
<tr>
<td>Other (specify) - see footnote 1</td>
<td></td>
</tr>
</tbody>
</table>

### PERMANENT LOAN(S)

<table>
<thead>
<tr>
<th>Description</th>
<th>Per executed architect contract</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan origination fees</td>
<td>29,250</td>
</tr>
<tr>
<td>Title &amp; recording fees</td>
<td></td>
</tr>
<tr>
<td>Closing costs &amp; legal</td>
<td></td>
</tr>
<tr>
<td>Bond premium</td>
<td></td>
</tr>
<tr>
<td>Credit report</td>
<td></td>
</tr>
<tr>
<td>Discount points</td>
<td></td>
</tr>
<tr>
<td>Credit enhancement fees</td>
<td></td>
</tr>
<tr>
<td>Prepaid MIP</td>
<td></td>
</tr>
<tr>
<td>Other (specify) - see footnote 1</td>
<td></td>
</tr>
<tr>
<td>Other (specify) - see footnote 1</td>
<td></td>
</tr>
</tbody>
</table>

### BRIDGE LOAN(S)

<table>
<thead>
<tr>
<th>Description</th>
<th>Per executed architect contract</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest</td>
<td></td>
</tr>
<tr>
<td>Loan origination fees</td>
<td></td>
</tr>
<tr>
<td>Title &amp; recording fees</td>
<td></td>
</tr>
<tr>
<td>Closing costs &amp; legal</td>
<td></td>
</tr>
<tr>
<td>Other (specify) - see footnote 1</td>
<td></td>
</tr>
<tr>
<td>Other (specify) - see footnote 1</td>
<td></td>
</tr>
</tbody>
</table>
### OTHER FINANCING COSTS

<table>
<thead>
<tr>
<th>Cost Type</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax credit fees</td>
<td>42,319</td>
</tr>
<tr>
<td>Tax and/or bond counsel</td>
<td></td>
</tr>
<tr>
<td>Payment bonds</td>
<td></td>
</tr>
<tr>
<td>Performance bonds</td>
<td>83,900</td>
</tr>
<tr>
<td>Credit enhancement fees</td>
<td></td>
</tr>
<tr>
<td>Mortgage insurance premiums</td>
<td></td>
</tr>
<tr>
<td>Cost of underwriting &amp; issuance</td>
<td></td>
</tr>
<tr>
<td>Syndication organizational cost</td>
<td></td>
</tr>
<tr>
<td>Tax opinion</td>
<td></td>
</tr>
<tr>
<td>Other (specify) - see footnote 1</td>
<td></td>
</tr>
<tr>
<td>Other (specify) - see footnote 1</td>
<td></td>
</tr>
</tbody>
</table>

Subtotal Financing Cost: $742,469

### DEVELOPER FEES

<table>
<thead>
<tr>
<th>Fee Type</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Housing consultant fees</td>
<td>1,525,245</td>
</tr>
<tr>
<td>General &amp; administrative</td>
<td>1,428,972</td>
</tr>
</tbody>
</table>

Profit or fee: $1,525,245

Subtotal Developer Fees 15.00%: $1,525,245

### RESERVES

<table>
<thead>
<tr>
<th>Reserve Type</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>Rent-up</td>
<td>274,080</td>
</tr>
<tr>
<td>Operating</td>
<td></td>
</tr>
<tr>
<td>Replacement</td>
<td></td>
</tr>
<tr>
<td>Escrows</td>
<td></td>
</tr>
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Subtotal Reserves: $274,080

### TOTAL HOUSING DEVELOPMENT COSTS

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>$12,249,447</td>
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</tbody>
</table>

Deduct From Basis:

<table>
<thead>
<tr>
<th>Basis Type</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal grants used to finance costs in Eligible Basis</td>
<td>$0</td>
</tr>
<tr>
<td>Non-qualified non-recourse financing</td>
<td></td>
</tr>
<tr>
<td>Non-qualified portion of higher quality units $42(d)(5)</td>
<td></td>
</tr>
<tr>
<td>Historic Credits (residential portion only)</td>
<td></td>
</tr>
</tbody>
</table>

Total Eligible Basis: $0

**High Cost Area Adjustment (100% or 130%) Rural** 130%

Total Adjusted Basis: $14,242,092

Applicable Fraction 85%

Total Qualified Basis 9.00%

Credits Supported by Eligible Basis: $1,089,520

Requested Score for 11.9(e)(2): 12

Name of contact for Cost Estimate: Kevin Hardy

Phone Number for Contact: (713) 963-8660

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>
<th>Financing Participants</th>
<th>Funding Description</th>
<th>Construction Period Loan/Equity Amount</th>
<th>Lien Position</th>
<th>Construction Interest Rate (%)</th>
<th>Permanent Period Loan/Equity Amount</th>
<th>Lien Position</th>
<th>Permanent Interest Rate (%)</th>
<th>Amortization Term (Yrs)</th>
<th>Syndication Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></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 0.00%</td>
<td>$0 0.00%</td>
<td>30 0</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TDHCA</td>
<td>MF Direct Loan Only (Repayable)</td>
<td>0 0.00%</td>
<td>$0 0.00%</td>
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<td>0 0</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TDHCA</td>
<td>Multifamily Direct Loan - Soft Repayable</td>
<td>0 0.00%</td>
<td>$0 0.00%</td>
<td>$0 0.00%</td>
<td>0 0</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TDHCA</td>
<td>Mortgage Revenue Bond</td>
<td>0 0.00%</td>
<td>$0 0.00%</td>
<td>$0 0.00%</td>
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<td>$2,925,000 6.00%</td>
<td>35 18</td>
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<tr>
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<td>HTTC $979,220</td>
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<tr>
<td>City of Kountze - Fee Reduction</td>
<td>$250</td>
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<td>Deferred Developer Fee</td>
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<tr>
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Replacement reserves for the development will be funded following construction completion and will be equal to $250/unit/year.

**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):**

No rent or operating subsidies are proposed.

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: __________________________

Email address: __________________________

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>
<th>Financing Participants</th>
<th>Funding Description</th>
<th>Construction Period</th>
<th>Use Position</th>
<th>Permanent Period</th>
<th>Use Position</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Loan/Equity</td>
<td>Interest Rate (%)</td>
<td>Loan/Equity</td>
<td>Interest Rate (%)</td>
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<tr>
<td>Debt</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOHCA</td>
<td>MF Direct Loan Const. to Perm. (Repayable)</td>
<td>$0</td>
<td>0.00%</td>
<td>$0</td>
<td>0.00%</td>
</tr>
<tr>
<td>TDHCA</td>
<td>MF Direct Loan Const. Only (Repayable)</td>
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<td>0.00%</td>
<td>$0</td>
<td>0.00%</td>
</tr>
<tr>
<td>TOHCA</td>
<td>Multifamily Direct Loan (Soft Repayable)</td>
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<td>0.00%</td>
<td>$0</td>
<td>0.00%</td>
</tr>
<tr>
<td>TOHCA</td>
<td>Multifamily Revenue Bond</td>
<td>$0</td>
<td>0.00%</td>
<td>$0</td>
<td>0.00%</td>
</tr>
<tr>
<td>BBVA Compass</td>
<td>$6,940,000</td>
<td>4.50%</td>
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<tr>
<td>BBVA Compass</td>
<td>$2,075,000</td>
<td>6.00%</td>
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<tr>
<td>Third Party Equity</td>
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<td>HTL</td>
<td>$979,220</td>
<td>$1,242,663</td>
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<td>0.89</td>
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<tr>
<td>Grant</td>
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</tr>
<tr>
<td>City of Kountze - Fee Reduction</td>
<td>Local Government Grant</td>
<td>$250</td>
<td>$250</td>
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<tr>
<td>Deferred Developer Fee</td>
<td></td>
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<td>Direct Loan Match</td>
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<td>$810,882</td>
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<td>ITEX Development, Ltd.</td>
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<tr>
<td>Other</td>
<td>Direct Loan Match</td>
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<td>Total Sources of Funds</td>
<td>$11,979,371</td>
<td>$12,249,447</td>
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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: ____________________________ Date: ____________

Printed Name: ____________________________

Telephone: ____________________________

Email address: ____________________________

If a revised form is submitted, date of submission: ____________________________

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Printed Name: ____________________________

Telephone: ____________________________

Email address: ____________________________

If a revised form is submitted, date of submission: ____________________________
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<th>Construction Period</th>
<th>Use Position</th>
<th>Permanent Period</th>
<th>Use Position</th>
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</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Amount</td>
<td>Interest Rate (%)</td>
<td>Amount</td>
<td>Interest Rate (%)</td>
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<tr>
<td>Debt</td>
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<td></td>
</tr>
<tr>
<td>TEHCA</td>
<td>MF Direct Loan Const. to Perm. (Repayable)</td>
<td>$0</td>
<td>0.00%</td>
<td>$0</td>
<td>0.00%</td>
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<td>TEHCA</td>
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<td>0.00%</td>
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<tr>
<td>Third Party Equity</td>
<td>Hudson Housing Capital</td>
<td>HTC</td>
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<td>$8,713,315</td>
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<td>Grant</td>
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<td>City of Kountze – Fee Reduction</td>
<td>$250</td>
<td>0.00%</td>
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<td>Deferred Developer Fee</td>
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<td>Practical Affordable Housing, Inc</td>
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<td>0.00%</td>
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<tr>
<td>Total Sources of Funds</td>
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<td>Total Uses of Funds</td>
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<td>0.00%</td>
<td>$12,249,447</td>
<td>0.00%</td>
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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: [Signature]
Authorized Representative, Equity Provider: [Name]
Date: [Date]

[Contact Information]

If a revised form is submitted, date of submission: [Date]
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 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 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 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.
**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>
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<tbody>
<tr>
<td>Non-Federal Grants</td>
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<td>N/A</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 INCLUDE DEVELOPER FEES</strong></td>
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<tr>
<td>Below Market Interest Rate Loan</td>
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<td>Property Tax Abatement</td>
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<tr>
<td>Donated Non-Professional Labor</td>
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<tr>
<td>Non-Federally Funded Infrastructure</td>
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<tr>
<td>Rental Value of Donated Use of Site Preparation or Construction Equipment</td>
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<td></td>
</tr>
<tr>
<td>Donated Construction Materials</td>
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</tr>
<tr>
<td>Donated Site Preparation</td>
<td></td>
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<tr>
<td>Donated Demolition Services</td>
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<td>Donated Real Property</td>
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<tr>
<td>Total Value of Match Pledged</td>
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</tr>
<tr>
<td>Total Amount of MF Direct Loan funds Requested</td>
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<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>
### Finance Scoring (for Competitive HTC Applications ONLY)

| Self Score Total: | 113 |

#### 1. Commitment of Development Funding by Local Political Subdivision (§11.9(d)(2))

**Name of the Local Political Subdivision providing the funding:**

City of Kountze

- [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))

- [X] Eligible Pro-Forma and letter stating 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: 7.50%
- HTC funding request as a percent of Total Housing Development Cost: 7.99%

**Eligibility for points:**

- Development Leverages CDBG Disaster Recovery, HOPE VI, RAD or Choice Neighborhood Funding: 0
- Housing Tax Credit Request: 3
- Housing Tax Credit Request: 2
- Housing Tax Credit Request: 1

*Be sure no more than 50% of Developer fees are deferred.*

**Total Points Claimed:** 3
### Supporting Documents Should be Included Behind this Tab

**ALL SUPPORTING DOCUMENTS MUST BE CONSISTENT WITH THE SOURCES AND USES**

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>[x]</td>
<td>Executed Pro Forma from Permanent or Construction Lender</td>
<td></td>
</tr>
<tr>
<td>[x]</td>
<td>Letter from lender regarding approval of Principals (consistent with Template)</td>
<td></td>
</tr>
<tr>
<td>[x]</td>
<td>Evidence of all Permanent and Construction Financing (term sheets, loan agreements)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Evidence of any Gap Financing, terms included</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Evidence of any Owner Contributions, with financial support if required</td>
<td></td>
</tr>
<tr>
<td>[x]</td>
<td>Evidence of Equity Financing (HTC applications only)</td>
<td></td>
</tr>
<tr>
<td></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>
<td></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>
<td></td>
</tr>
<tr>
<td></td>
<td>Evidence of Rental Assistance/Subsidy</td>
<td></td>
</tr>
</tbody>
</table>
15 Year Rental Housing Operating Pro Forma (All Programs)

The pro forms 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. The debt service for each year maintains no less than a 1.15 debt coverage ratio. (Signature only required if using this proforma for points under §11.9(e)(1) relating to Financial Feasibility)

<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>$626,520</td>
<td>$639,050</td>
<td>$651,831</td>
<td>$664,868</td>
<td>$678,165</td>
<td>$748,249</td>
<td>$826,680</td>
</tr>
<tr>
<td>Secondary Income</td>
<td>$9,600</td>
<td>$9,792</td>
<td>$9,988</td>
<td>10,188</td>
<td>10,391</td>
<td>11,473</td>
<td>12,667</td>
</tr>
<tr>
<td>POTENTIAL GROSS ANNUAL INCOME</td>
<td>$636,120</td>
<td>$648,842</td>
<td>$661,819</td>
<td>$675,056</td>
<td>$688,557</td>
<td>$760,222</td>
<td>$839,347</td>
</tr>
<tr>
<td>Provision for Vacancy &amp; Collection Loss</td>
<td>($47,709)</td>
<td>($48,663)</td>
<td>($50,639)</td>
<td>($52,642)</td>
<td>($57,017)</td>
<td>($62,091)</td>
<td></td>
</tr>
<tr>
<td>Other Annual Required Payment</td>
<td>$40,251</td>
<td>$41,873</td>
<td>$43,431</td>
<td>$45,099</td>
<td>$46,772</td>
<td>$52,204</td>
<td>$55,524</td>
</tr>
<tr>
<td>Other Expenses</td>
<td>$29,200</td>
<td>$30,009</td>
<td>$30,609</td>
<td>$31,211</td>
<td>$31,845</td>
<td>$35,160</td>
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</tr>
<tr>
<td>Management Fee</td>
<td>$32,000</td>
<td>$32,960</td>
<td>$33,949</td>
<td>$34,967</td>
<td>$36,016</td>
<td>$41,753</td>
<td>$48,403</td>
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<tr>
<td>Payroll, Payroll Tax &amp; Employee Benefits</td>
<td>$44,500</td>
<td>$45,320</td>
<td>$46,680</td>
<td>$48,080</td>
<td>$50,212</td>
<td>$67,310</td>
<td></td>
</tr>
<tr>
<td>Repairs &amp; Maintenance</td>
<td>$25,183</td>
<td>$25,938</td>
<td>$26,717</td>
<td>$28,518</td>
<td>$30,344</td>
<td>$38,092</td>
<td></td>
</tr>
<tr>
<td>Electric &amp; Gas Utilities</td>
<td>$36,700</td>
<td>$37,422</td>
<td>$38,103</td>
<td>$39,835</td>
<td>$41,506</td>
<td>$55,312</td>
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<tr>
<td>Water, Sewer &amp; Trash Utilities</td>
<td>$25,183</td>
<td>$25,938</td>
<td>$26,717</td>
<td>$28,518</td>
<td>$30,344</td>
<td>$38,092</td>
<td></td>
</tr>
<tr>
<td>Annual Property Insurance Premiums</td>
<td>$24,000</td>
<td>$24,852</td>
<td>$26,000</td>
<td>$27,123</td>
<td>$28,345</td>
<td>$30,928</td>
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<tr>
<td>Property Tax</td>
<td>$44,000</td>
<td>$45,320</td>
<td>$46,680</td>
<td>$48,080</td>
<td>$49,522</td>
<td>$66,554</td>
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</tr>
<tr>
<td>Reserve for Replacements</td>
<td>$20,000</td>
<td>$20,600</td>
<td>$21,218</td>
<td>$21,855</td>
<td>$22,510</td>
<td>$30,252</td>
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<tr>
<td>Other Expenses</td>
<td>$7,720</td>
<td>$7,952</td>
<td>$8,190</td>
<td>$8,436</td>
<td>$8,689</td>
<td>$11,577</td>
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<tr>
<td>TOTAL ANNUAL EXPENSES</td>
<td>$348,024</td>
<td>$358,170</td>
<td>$368,615</td>
<td>$379,367</td>
<td>$390,436</td>
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<td>$590,735</td>
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<tr>
<td>NET OPERATING INCOME</td>
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<td>$243,568</td>
<td>$245,059</td>
<td>$246,426</td>
<td>$250,341</td>
<td>$255,560</td>
</tr>
<tr>
<td>DEBT SERVICE</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>First Deed of Trust Annual Loan Payment</td>
<td>$200,137</td>
<td>$200,137</td>
<td>$200,137</td>
<td>$200,137</td>
<td>$200,137</td>
<td>$200,137</td>
<td></td>
</tr>
<tr>
<td>Second Deed of Trust Annual Loan Payment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Third Deed of Trust Annual Loan Payment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Annual Required Payment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ANNUAL NET CASH FLOW</td>
<td>($40,251)</td>
<td>($41,873)</td>
<td>($43,431)</td>
<td>($45,099)</td>
<td>($46,772)</td>
<td>($52,204)</td>
<td>($55,524)</td>
</tr>
<tr>
<td>CUMULATIVE NET CASH FLOW</td>
<td>($40,251)</td>
<td>($82,123)</td>
<td>$125,555</td>
<td>$170,477</td>
<td>$216,819</td>
<td>$463,185</td>
<td>$732,505</td>
</tr>
<tr>
<td>Debt Coverage Ratio</td>
<td>1.20</td>
<td>1.21</td>
<td>1.22</td>
<td>1.22</td>
<td>1.22</td>
<td>1.22</td>
<td>1.22</td>
</tr>
</tbody>
</table>

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 proforma for points under §11.9(e)(1) relating to Financial Feasibility)

Signature, Authorized Representative, Construction or Permanent Lender

Signature, Authorized Representative, Syndicator

Printed Name

Date

Printed Name

Date

If a revised form is submitted, date of submission: __________
March 1, 2018

Kountze Pines at Allen Street, LP
c/o Donald R. Ball
Executive Director of Sole Member of General Partner
1885 E. Farragut
Orange, TX 77630

Re: Kountze Pines at Allen Street, Orange, Texas

Dear Donald,

I have received and reviewed the 15 year pro forma for Kountze Pines at Allen Street. The attached 15 year pro forma was prepared by Nautical Affordable Housing, Inc. and The ITEX Group, LLC, affiliates of the applicant, Kountze Pines at Allen Street, LP, 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 Kountze Pines at Allen Street, LP, and its principals The ITEX Group, LLC and Christopher Akbari. At this time, BBVA Compass has no reservations Kountze Pines at Allen Street, LP, or 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
The pro formas 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 mode during the proforma period should be attached to this exhibit.

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)

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<td>$368,557</td>
<td>$370,222</td>
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<td>($49,635)</td>
<td>($50,629)</td>
<td>($51,642)</td>
<td>($52,017)</td>
<td>($52,017)</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>$388,411</td>
<td>$388,169</td>
<td>$388,813</td>
<td>$388,215</td>
<td>$388,505</td>
<td>$389,802</td>
<td>$402,341</td>
</tr>
</tbody>
</table>

| EXPENSES                      |        |        |        |        |        |         |         |
| General & Administrative Expenses | $32,000 | $32,960 | $33,949 | $34,967 | $36,016 | $41,753 | $48,408 |
| Management Fee                | $29,421 | $30,009 | $30,609 | $31,221 | $31,845 | $35,160 | $38,820 |
| Payroll, Payroll Tax & Employee Benefits | $22,500 | $23,275 | $24,133 | $25,077 | $26,110 | $30,692 | $35,915 |
| Repairs & Maintenance         | $44,500 | $45,835 | $47,210 | $48,626 | $50,085 | $58,062 | $67,310 |
| Electric & Gas Utilities      | $16,000 | $16,480 | $16,974 | $17,484 | $18,008 | $20,876 | $24,201 |
| Water, Sewer & Trash Utilities | $36,700 | $37,801 | $38,935 | $40,103 | $41,306 | $47,885 | $55,512 |
| Annual Property Insurance Premiums | $25,183 | $25,938 | $26,717 | $27,518 | $28,344 | $32,858 | $38,092 |
| Property Tax                  | $44,000 | $45,320 | $46,680 | $48,080 | $49,522 | $57,410 | $66,554 |
| Reserve for Replacements      | $20,000 | $20,600 | $21,218 | $21,855 | $22,510 | $26,095 | $30,252 |
| Other Expenses                | $7,720 | $7,952 | $8,190 | $8,436 | $8,689 | $10,073 | $11,577 |
| TOTAL ANNUAL EXPENSES         | $388,024 | $388,170 | $388,615 | $389,367 | $390,436 | $450,855 | $520,735 |
| NET OPERATING INCOME          | $240,387 | $242,059 | $243,568 | $245,059 | $246,426 | $252,341 | $255,560 |

| DEBT SERVICE                  |        |        |        |        |        |         |         |
| First Deed of Trust Annual Loan Payment | $200,137 | $200,137 | $200,137 | $200,137 | $200,137 | $200,137 | $200,137 |
| Second Deed of Trust Annual Loan Payment |        |        |        |        |        |         |         |
| Third Deed of Trust Annual Loan Payment |        |        |        |        |        |         |         |
| Other Annual Required Payment |        |        |        |        |        |         |         |
| ANNUAL NET CASH FLOW          | $40,251 | $41,873 | $43,431 | $44,922 | $46,424 | $52,204 | $55,524 |
| CUMULATIVE NET CASH FLOW      | $40,251 | $83,123 | $125,555 | $170,477 | $226,819 | $463,185 | $732,505 |
| Debt Coverage Ratio           | 1.20    | 1.21    | 1.22    | 1.22    | 1.23    | 1.26     | 1.28     |
| Other (Describe)              |         |         |         |         |         |         |         |
| Other (Describe)              |         |         |         |         |         |         |         |

If a revised form is submitted, date of submission:

Signature, Authorized Representative, Construction or Permanent Lender

Printed Name

Signature, Authorized Representative, Syndicator

Printed Name
February 28, 2018

Kountze Pines at Allen Street, LP
c/o Donald R. Ball
Executive Director of Sole Member of General Partner
1885 E. Farragut
Orange, TX 77630

Re: Kountze Pines at Allen Street, Orange, Texas

Dear Donald,

BBVA Compass Bank (the “Bank”) is pleased to provide you with this Letter of Terms for the Construction and Permanent financing of the Kountze Pines at Allen Street affordable housing project. The following terms and conditions were based upon a preliminary review of the Borrower’s 2018 TDHCA Housing Tax Credit Application:

Construction Loan:

Borrower: Kountze Pines at Allen Street, LP

Collateral: The Subject Loan shall be secured by a first mortgage lien and an assignment of rents and leases on the 80-unit LIHTC project to be located in Kountze, Texas. Additionally, the Loan shall be secured by an Assignment of the General Partner Interest and Deferred Developer’s Fee.

Amount: Up to $8,940,000. 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 used an underwriting rate of 4.50%.

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 a guarantor or guarantors satisfactory to BBVA Compass.
Tax Credit Equity: Approximately $8,713,315. 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 construction contract and final budget
  - Copy of builders risk policy with Compass Bank named as loss payee
  - Copy of recorded limited partnership and syndication agreements
- All terms subject to market fluctuation

Permanent Loan:

Provided that there are no events of default, the Borrower my elect to exercise the option to convert the Construction Loan to the Permanent Loan provided that 1) the Construction Loan has been Paid down to the Perm Loan Amount; 2) the Property has achieved a minimum occupancy of 90% for 90 days; and 3) the Property has achieved a Pro Forma Debt Service Cover Ratio of 1.15.

Amount: Up to $2,925,000. The Loan amount shall be limited to 80% of the stabilized value of the Real Estate based upon an Appraisal acceptable to the Bank.
February 28, 2018
Page 3

Interest Rate: Fixed rate based on the 10 Year Treasury + 320 bps for a 24 month forward rate lock with a floor of 6.00%.

Fee: 1% of the permanent loan amount with .50% payable at construction loan closing for the rate lock, and .50% payable at conversion to permanent loan as well as any required third-party report updates and Bank legal fees.

Maturity: Eighteen (18) years.

Amortization: Thirty-five (35) years.

Recourse: The loan is specifically to be non-recourse.

Prepayment: Following conversion, the loan will have standard prepayment (yield maintenance) penalties. Prior to conversion, there are no break fees.

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.
Kountze Pines at Allen Street, LP  
c/o Donald R. Ball, Executive Director of Sole Member of General Partner  
1885 E. Farragut  
Orange, TX 77630

Dear Donald,

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:

Receive and Approve Phase 1 Environmental Site Assessment 7/16/18 – 7/27/18  
• 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 7/16/18 – 7/27/18  
• Market study is provided by borrower.

Order and Approve Appraisal 8/27/18 – 9/14/18  
• 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 7/30/18 – 10/5/18  
• The Bank’s credit review has been performed preliminarily and is ongoing during the closing process.

Outside Legal Engaged and Loan Documents Prepared 8/6/18 – 10/12/18  
• 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 9/24/18 – 10/12/18  
• 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.

Closing of Construction Loan 10/23/18 – 10/25/18

Sincerely,

Ken Overshiner, Senior Vice President,  
Community Development Capital, Compass Bank  

BBVA Compass is a trade name of Compass Bank, a member of the BBVA Group. Compass Bank, Member FDIC.
February 27, 2018

Kountze Pines at Allen Street, LP
Attn: Donald R. Ball
Executive Director of Sole Member of General Partner
1885 E. Farragut
Orange, TX 77630

Re: Pines at Allen Street - Kountze, TX

Dear Mr. Ball:

Thank you for providing Hudson Housing Capital LLC (“Hudson”, the “Company”) with the opportunity to extend a purchase offer for the limited partnership interest in the Partnership that will own Pines at Allen Street.

Hudson is a Delaware limited liability company formed to directly acquire limited partnership interests in partnerships which own apartment complexes qualifying for low-income housing tax credits ("Tax Credits") under Section 42 of the Internal Revenue Code of 1986, as amended (the "Code").

Set forth are the basic business terms under which Hudson or its designee ("Investor") will acquire a 99.98% limited partnership interest in the Partnership, which will own an 80-unit complex in Kountze, Texas (the “Property”). You have advised us that ITEX Development, LLC and Nautical Affordable Housing, Inc. (collectively, the “Developer”) will be the co-developers and that Kountze Pines at Allen Street GP, LLC (the “General Partner”), will be the general partner of the Partnership. An affiliate of the Investor will be admitted to the Partnership as a special member (the “Special Limited Partner”, “SLP”) with limited supervisory rights. The ITEX Group, LLC and Christopher Akbari (the “Guarantor”) shall jointly and severally guarantee the obligations of the General Partner under the partnership agreement to be entered into between the parties (the “Partnership Agreement”). The Guarantor will be required to maintain minimum liquidity and net worth covenants to be negotiated (the “Net Worth and Liquidity Covenant”).

You have advised us that the Property is applying for an allocation of 9% Federal Tax Credits in the annual amount of $979,220 and that 68 of the 80 units will qualify for Tax Credits.
I. Equity Investment

The Investor will contribute to the Partnership a total of $8,713,315 (the “Total Equity”) or approximately $0.89 (the "Tax Credit Ratio") per total Tax Credit available to the Investor, payable in the following installments:

<table>
<thead>
<tr>
<th>Contribution</th>
<th>Contribution %</th>
<th>Timing</th>
</tr>
</thead>
<tbody>
<tr>
<td>First</td>
<td>20%</td>
<td>At Closing and Through Construction</td>
</tr>
<tr>
<td>Second</td>
<td>50%</td>
<td>Construction Completion</td>
</tr>
<tr>
<td>Third</td>
<td>25%</td>
<td>Permanent Financing</td>
</tr>
<tr>
<td>Fourth</td>
<td>5%</td>
<td>Issuance of 8609s</td>
</tr>
</tbody>
</table>

a. First Capital Contribution. The Investor will fund the First Capital Contribution at Closing.

b. Second Capital Contribution. The Second Capital Contribution will be paid upon the satisfaction of the conditions set forth in the Partnership Agreement, which are principally as follows: (i) lien-free construction completion of the Property substantially in accordance with the Plans and Specifications in a workmanlike manner approved by Hudson; (ii) issuance of Certificates of Occupancy for 100% of the units in the Property; (iii) receipt of an unaudited cost certification for the Property from independent accountants to the Partnership (the "Accountants"), setting forth the eligible basis and the total available Tax Credits; (iv) if not received at the Initial Closing, receipt of a carry-over allocation for the Property; (v) receipt of a pay-off letter from the general contractor or subcontractors, as applicable; (vi) satisfactory financial condition of the Guarantor including no event of bankruptcy; and (vii) receipt of prior year's income tax returns in the event such returns are then due.

d. Third Capital Contribution. The Third Capital Contribution will be paid upon the satisfaction of the conditions set forth in the Partnership Agreement, which are principally as follows: (i) closing of the permanent first mortgage loan ("Permanent Loan Closing"); (ii) receipt of final Tax Credit cost certification from the Accountants as to the amount of Tax Credits the Partnership will claim for 2020/2021 and the amount allocable to each partner (the “Final Certification”); (iii) receipt of prior year's income tax returns in the event such returns are then due; and (iv) qualification of 100% of the set-aside apartment units in the Property for Tax Credits; and (v) achievement of Breakeven level for three consecutive months (the “Breakeven Date”).

"Breakeven" shall mean that, for each such month, occupancy is at least 92.5% and that Property income (with rents not to exceed maximum allowed tax credit rents net of the applicable utility allowances and excluding any commercial income) exceeds expenses including replacement reserves, reassessed taxes, and permanent loan debt service (calculated on a stabilized and accrual basis) and generates debt service coverage of not less than 1.15 assuming the greater of actual or a 7.5% vacancy rate.
e. Fourth Capital Contribution. The Fourth Capital Contribution will be paid upon satisfaction of the conditions set forth in the Partnership Agreement, which are principally as follows: (i) receipt of Form 8609 with respect to all buildings constituting the Property; and (ii) receipt of a tax return and an audited financial statement for the year in which the Breakeven Date occurred.

If the conditions for payment of the Fourth Capital Contribution have been met except for the receipt of (ii) above, $15,000 of the Fourth Capital Contribution will be held back and paid upon receipt of the same.

Our offer is also contingent on the following financing sources and assumptions:

a. Construction loan from a lender acceptable to the Investor in the approximate amount of $8,940,000.

b. Permanent loan from a lender acceptable to the Investor in the approximate amount of $2,925,000 with a fixed interest rate not to exceed 6.00% compounded, a term of at least 20 years, and payments based on 35-year amortization.

c. A $250 in-kind contribution from the City of Kountze.

d. Deferred developer fee in the amount of $610,882.

e. Our proposal assumes that all of the debt will be structured as nonrecourse debt from a third party for tax purposes.

II. Developer Fee

The Developer shall receive a Developer Fee of approximately $1,525,245. The cash developer fee (non-deferred fee) estimated to be 914,363 shall be paid 20% at closing, 15% at the time of the Second Capital Contribution, and the balance from the Third and Fourth Capital Contributions. At this time, $610,882 of the Developer Fee is projected to be deferred. You have represented that the amount of the Developer Fee does not exceed the amount permitted to be paid by the Texas Department of Housing and Community Affairs. Deferred developer fees shall be paid from available cash flow as detailed in Section V and shall bear interest at the AFR. Principal payments on the deferred developer fees shall commence with the funding of the Third Capital Contribution. The General Partner agrees to make a special capital contribution to the Partnership equal to any unpaid balance of the deferred portion of the Developer Fee if such portion has not been fully paid within 13 years from the date of the payment of the Second Capital Contribution.

III. Property Management Fee

The management agreement, to be approved by the Investor, shall have an initial term of 1 year and shall be renewable annually thereafter, shall provide for an annual management fee not to exceed 5% of gross effective income, and shall otherwise be on commercially reasonable
terms (including a termination right by the General Partner in the event of fraud/gross negligence or material default by the Manager). If the managing agent is affiliated with the General Partner, the management agreement shall provide for a deferral of up to 100% of the management fee in the event that the property does not generate cash flow sufficient to pay must-pay debt service.

IV. **Intentionally Omitted**

V. **Cash Flow Distributions**

**Prior to the Third Capital Contribution**
Any Cash Flow and income generated by the Property prior to the Third Capital Contribution will be allocated to the General Partner.

**Subsequent to the Third Capital Contribution**
Cash flow from the Property, after payment of operating expenses (including the Administrative Expense Reimbursement, current and any deferred property management fees from prior years, and debt service), replenishment of required reserves (including any reserve payments which were not made due to insufficient cash flow) and payment of any tax liability incurred by the Limited Partner ("Cash Flow"), shall be distributed annually (subsequent to the Third Capital Contribution) as follows:

a. to payment of any amounts owed to the Limited Partner;

b. to maintain the Minimum Balance in the Operating Reserve;

c. to the payment of any Operating Deficit Loans, if any;

d. 90% of Cash Flow after V(c). to
   
   • to Developer Fees until paid in full; and
   
   • the balance (if any) to the General Partner as a preferred return with an equivalent allocation of income.

e. the remainder to be split in accordance with Partnership interests.

VI. **Sale or Refinancing Proceeds**

Net sale or refinancing proceeds (i.e., after payment of, outstanding debts, liabilities other than to the General Partner and its affiliates and expenses of the Partnership and establishment of necessary reserves) shall be distributed as follows:

a. Repayment of any amounts due to the limited partners, if any;

b. Repayment of outstanding loans by the General Partner, including the Developer Fee Note (if not paid) and Operating Deficit loans; and

c. 10% to the Investor and 90% to the General Partner.

VII. **General Partner Commitments**
a. **Low Income Housing Tax Credit Adjustment.** Our offer is based upon the assumption that the Partnership will qualify for and claim $489,611 in 2020, the full amount of the Partnership's Tax Credit allocation, $979,220 for each year from 2021 through 2029, and $489,611 in 2030.

(i) Adjustments during equity payment (construction and leaseup) period

In the event that either the Form 8609's or the Final Certification indicate that the Property will not generate the projected aggregate amount of Tax Credits (other than as specified below), the Partnership Agreement will provide for a return of such capital, an adjustment in the amount of any unpaid Capital Contributions and/or a payment by the General Partner to the Investor, sufficient to restore the Tax Credit Ratio as defined above.

Not withstanding the preceding paragraph, in the event that the Final Certification specifies that, while the aggregate amount of Tax Credits allocable to the Partnership is unchanged, the amount of Tax Credits allocable to the Partnership in 2020/2021 is less than the amounts specified above for the corresponding years, the Second/Third/Fourth Capital Contributions will be reduced by $0.65 for each dollar by which such amount exceeds the amount of Federal Tax Credits allocable to the Partnership for such period.

(ii) Adjustments during compliance period

After the Form 8609's have been issued, in the event that the actual amount of Tax Credits which may be claimed by the Partnership is less than the amount specified in such Forms, the General Partner shall reimburse the Investor on a dollar-for-dollar basis for each lost dollar of Tax Credits plus any resulting penalties or taxes due. Similarly, if there is a recapture of Tax Credits (except from the sale or transfer of the Investor's interest in the Partnership, or due to a change of applicable tax law), the General Partner shall upon demand indemnify the Investor and its partners against any Tax Credit recapture liability (including interest, penalties and any reasonable related legal or accounting costs) which they may incur during the Compliance Period.

b. **Development Deficit Guarantee.** The General Partner shall be responsible for completion of the Property in a workmanlike manner, in accordance with approved plans and specifications, free and clear of all liens. To the extent that the costs of construction and operations until the Breakeven Date exceed the amount of any funding by approved permanent third party lenders, any unpaid Developer Fees and the amount of the Investor's capital commitment (adjusted as set forth above), the General Partner shall pay all such costs and expenses connected with development and construction of the Property, including all operating expenses of the Property until the Breakeven Date has been achieved. The development budget shall include an owner’s hard cost contingency of at least 5% of the construction contract amount which shall be outside the
contractor’s control. The general contractor shall provide a payment and performance bond or a letter of credit with terms acceptable to Hudson.

c. **Operating Deficit Guarantee.** The General Partner shall make interest free loans to the Partnership ( repayable from cash flow and/or sale and refinancing proceeds as described above) equal to any Operating Deficits (including the Minimum Deposit described in VII e. below and the administration fee described in VIII. a. below) incurred during the period beginning on the Breakeven Date and ending on the completion of three consecutive years of Breakeven operations, in an amount not to exceed 12 months of underwritten operating expenses in the aggregate (the “Operating Deficit Guaranty”).

An Operating Reserve in an amount equal to six months expenses and debt service shall be funded at the time of the Third Capital Contribution. The General Partner shall be obligated to fund this reserve and any draws shall require the consent of the SLP and shall be allowed only subsequent to the expiration of the Operating Deficit Guaranty. The Operating Reserve shall be maintained for the duration of the compliance period and any draws shall be replenished from Cash Flow (the “Minimum Balance”).

d. **Obligations of General Partner.** Immediately following the occurrence of any of the following events, (x) the General Partner shall admit the Special Limited Partner or its designee as the managing general partner of the Partnership and, at the option of the Investor, withdraw from the Partnership; or, (y) at the option of the Investor with respect to any of the events described in clauses (i) through (v) below, repurchase the Investor's interest in the Partnership: (i) an IRS Form 8609 is not issued with respect to each of the buildings in the Property in a timely manner after each such building has been placed in service; (ii) the Property is not fully placed in service by December 31, 2020; (iii) the permanent loan commitment is canceled or substantially modified, and a suitable replacement loan to be approved by the Investor is not obtained or if the Property qualifies for a permanent loan not sufficient to balance the sources and uses of funds; (iv) permanent loan closing has not occurred not later than December 31, 2021; (v) the Partnership fails to meet the minimum set aside test (as defined in Section 42 of the Code) or fails to execute and record a Tax Credit Extended Use Commitment by the close of the first year of the Credit Period: (vi) the Partnership shall have been declared in default by any mortgage lender or under the tax credit allocation or foreclosure proceedings have been commenced against the Property and such default is not cured or such proceeding is not dismissed within 30 days; or (vii) there is a material violation of the Partnership Agreement by the General Partner or if the property manager is an affiliate of the General Partner, a material violation of the management agreement by the manager which causes material adverse harm to the Investor, the Partnership or the Property.

If the Investor elects to have its interest repurchased by the General Partner, the repurchase price shall be equal to 105% of the Total Equity, less amounts not yet paid, plus interest at Prime + 1%.
e. **Replacement Reserve.** Commencing with the month following Completion, the Partnership will make a minimum monthly replacement reserve deposit (the "Minimum Deposit") equal to (on an annualized basis) the greater of (i) the amount required by the permanent lender and (ii) $250/unit. The amount of the Minimum Deposit shall be increased annually by a percentage (the “CPI Percentage”). If the sum of all lender-imposed monthly replacement reserve deposits is less than the Minimum Deposit, Investor will establish a separate account into which the General Partner will deposit the difference. Any interest earned on such account shall become a part thereof.

f. **Reporting.** The Partnership will be required to furnish Investor with (a) quarterly unaudited financial statements within 45 days after the end of each quarter of the fiscal year; (b) annual audited financial statements within 60 days after the end of each fiscal year; (c) an annual budget for each fiscal year of the Partnership, not later than November 1 of the preceding year; and (d) the Partnership's tax returns and K-1 forms within 60 days after the end of each fiscal year. The penalty for any failure to deliver Partnership tax returns or K-1 forms prior to the specified deadline shall be (i) $50 per day for the first seven days after such deadline, (ii) $100 per day for the next seven days and (iii) $150 per day thereafter, provided that the amount of such penalty shall not exceed $3,000 in any year.

**VIII. Fees to Affiliates of Hudson**

a. **Administrative Expense Reimbursement.** An affiliate of Hudson shall receive an annual administrative expense reimbursement from the Partnership in the amount of $7,500, which amount shall be increased annually by the CPI Percentage. Any unpaid amounts shall accrue.

**IX. Representations, Warranties and Covenants**

The General Partner shall make certain representations and warranties as to the Partnership, the General Partner and the Property to be set forth in the Partnership Agreement.

**X. Accountants**

The Accountants for the Partnership (“Accountants”) shall be CohnReznick or another firm approved by the Investor. The Accountants shall prepare tax and financial reports as set forth in the Partnership Agreement, and the Final Certification referred to in I.c., above.

**XI. Investment Partnership Rights**

The Partnership Agreement will provide certain approval rights as to major actions proposed to be taken by the General Partner. The Investor shall have the right to remove the General Partner and the Manager for cause.

**XII. Insurance**
At the closing, the General Partner shall provide for title insurance satisfactory to counsel to the Investor in an amount equal to the sum of all Capital Contributions, all mortgage loans and the amount of any Development Fee Note. Prior to the payment of any additional installment of the Capital Contribution, a "date down" of such policy shall be provided. The General Partner shall provide for (i) liability (general and excess) insurance in an amount of at least $6,000,000 (increased biennially by the CPI Percentage), (ii) hazard insurance (including boiler and machinery coverage) and flood insurance (to the extent that the property is in a 100 year flood zone) in an amount of not less than the full replacement value of the Property, (iii) rental loss insurance for a period of 12 months after the date of loss and (iv) law and ordinance coverage with no sublimit, including changes in law and ordinances enacted during the course of reconstruction. Builder's risk insurance shall be provided during construction. Architects shall submit evidence of errors and omissions coverage, in amounts reasonably satisfactory to the Investor. Workers compensation insurance shall be provided as to any entity with employees working at the Apartment Complex. All policies shall name the Investor as an additional insured and shall otherwise be subject to Investor approval.

XIII. Indemnity Agreement

The General Partner shall indemnify the Investor, Hudson and its affiliates, and their respective officers, directors for any untrue statement of a material fact or omission to state a material fact necessary to make any such statement, in light of the circumstances under which they were made, not misleading, by the General Partner or its agents set forth in any document delivered by the General Partner or its agents in connection with the acquisition of the Property, the investment by the Investor in the Partnership and the execution of the Partnership Agreement.

XIV. General Conditions

Payment of the Second/Third/Fourth Capital Contributions shall be conditioned upon completion of an appropriate due diligence review by the Investor to confirm that there have been no changes in material circumstances affecting the Property, including (i) receipt of estoppel letter(s) from all lenders, (ii) review of title (including a "date-down" endorsement), survey, environmental and other legal and regulatory matters, (iii) receipt of a "date-down" legal opinion from counsel to the Partnership and (iv) certification by the General Partner as to the continued accuracy of representations and warranties made in the Partnership Agreement.

XV. Right of First Refusal

The General Partner and Developer shall grant Hudson a right of first refusal to purchase any Tax Credits generated by any subsequent phase of the Property which may be developed. Any terms and conditions of such purchase (other than the price and timing of equity payments) shall be on substantially the same terms as this letter.
XVI. Conditions to Closing

Hudson has completed the following due diligence as of the issuance of this letter:

1. Evaluated the financial feasibility of the Project including the site location;
2. Reviewed the financial capacity of the guarantor;
3. Reviewed the financial capacity and experience of the general contractor.

Closing of this transaction is contingent upon the following:

1. Completion of Hudson’s final due diligence and underwriting process, including but not limited to, approval of the final plan and cost review and receipt of all zoning and plan approvals;
2. Receipt of an allocation of 9% Federal Tax Credits from TDHCA in the annual amount of $979,220;
3. Closing of the Construction Loan with a lender acceptable to Hudson.

Hudson is aware that Pines at Allen Street is expecting to close before October 31, 2018 and will work with the parties involved to ensure the deadline is met.

At closing, Hudson shall be reimbursed up to $50,000 for its legal and due diligence related expenses. The General Partner understands that any consultant, engineering, environmental or other, selected for the project shall be acceptable to the lender and to the equity investor and that the Partnership shall bear the cost of fees associated with pre-construction feasibility studies, structural analysis, and monthly inspections. In the event this commitment is terminated or the transaction does not close, Hudson shall be reimbursed for its legal and due diligence expenses incurred to date.

Additionally, approval of this transaction is subject to Hudson’s final Investment Committee approval in its sole and absolute discretion. Specifically, the Tax Credit Ratio and Total Capital Contribution identified in Section I are based on current market conditions. Any substantial change in such market conditions, including but not limited to higher interest rates, shall cause the Investor, in its sole discretion, to modify the Tax Credit Ratio.
By executing this commitment and in consideration of the substantial expenses to be incurred by Hudson and its affiliates in legal and accounting fees and for due diligence, you agree that you and your affiliates will not offer any interest in the Property to any other party unless this commitment is terminated by mutual consent or unless you are notified that, pursuant to its due diligence, the Investor will not complete its investment in the Partnership, which notification shall be given not later than 45 days from our receipt of this commitment executed by you, subject to extension in the event of any delay on your part in furnishing the requested due diligence materials. This commitment will terminate on August 31, 2018.

Sincerely,

Hudson Housing Capital LLC

By: ________________
Joshua Lappen
Vice President

ACCEPTED AND AGREED TO
THIS ___ DAY OF ___, 2018

By: ____________________
Name: [Signature]
Title: [Signature]
January 24, 2018

Kountze Pines at Allen Street, LP
Attn: Donald R. Ball
3735 Honeywood Court
Port Arthur, Texas 77642

Re: Financial Support for Ap 18283, Pines at Allen Street at northeast quadrant of Allen Street and Tubb Street, Kountze, Texas

Dear Mr. Ball,

On January 18, 2018 the City of Kountze’s City Council approved a Resolution to provide Financial support to Pines at Allen Street development located at the northeast quadrant of Allen Street and Tubb Street, Kountze, Texas. The resolution states the following:

BE IT FURTHER RESOLVED, that for the purpose of Title 10, Rule 11.9(d)(2) of the Texas Administrative Code, the City Council hereby approves and authorizes the financial support of the Development in the amount of Two Hundred Fifty Dollars and Zero Cents ($250.00) in reduced fees for building permits and/or utility connection fees, in connection with the construction of the Development after the Development receives an award of Housing Tax Credits; and…”
Attached is the resolution that has been approved by City Council.

If you have any questions or concerns please feel free to contact me at (409)246-3463.

Sincerely,

Kim Haynes
City Secretary
KOUNTZE, TEXAS

RESOLUTION

A RESOLUTION OF THE CITY OF KOUNTZE, TEXAS: (A) EVIDENCING SUPPORT FOR A PROPOSED DEVELOPMENT TO BE BUILT IN KOUNTZE; (B) AUTHORIZING LOCAL POLITICAL SUBDIVISION FUNDING SUPPORT FOR THE DEVELOPMENT; AND (C) AUTHORIZING SUCH OTHER ACTIONS NECESSARY OR CONVENIENT TO CARRY OUT THIS RESOLUTION.

Whereas, Kountze Pines at Allen Street, LP, a to-be-formed Texas limited partnership ("Applicant"), has advised that it intends to apply to the Texas Department of Housing and Community Affairs (the “TDHCA”) for 2018 Housing Tax Credits to provide equity financing for proposed new construction rental apartments within the city limits of the City of Kountze (the “City”) consisting of up to approximately 80 units, of which up to approximately 80 units will be income and rent restricted rental housing; intended and operated for occupancy by the general population in accordance with Fair Housing requirements; such development to be called Pines at Allen Street (the “Development”), to be located within the City at the northeast quadrant of Allen Street and Tubb Street, Kountze, Hardin County, Texas, and to be owned by the Applicant; and

Whereas, Housing Tax Credits are competitively awarded, largely on the basis of points; and

Whereas, pursuant to Title 10, Rule 11.9(d)(1) of the Texas Administrative Code, the TDHCA will provide up to 17 points for a municipality’s resolution of support for a development which will be located in such municipality’s jurisdiction; and

Whereas, a municipality may also support an application to the TDHCA pursuant to Title 10, Rule 11.9(d)(2) of the Texas Administrative Code, by providing financial support for the development from a municipality, county or other instrumentality with jurisdiction over the proposed development through a loan, a grant, reduced fees or a contribution of other value for the benefit of the development, and such support will qualify the development for a point that will advance its application; and

Whereas, the City Council wishes to evidence its support for this proposed Development in the City of Kountze and to facilitate the possible award of 2018 Housing Tax Credits to the Development;

NOW, THEREFORE, IT IS HEREBY:

RESOLVED, that the City of Kountze, hereby supports the proposed Pines at Allen Street development, and confirms that its governing body has voted specifically to approve the construction of the Development and to authorize an allocation of Housing Tax Credits for the Development pursuant to Texas Government Code 2306.6703(a)(4); and
BE IT FURTHER RESOLVED, that the City of Kountze, acting through its governing body, hereby confirms that it is exclusively supporting in the TDHCA 2018 Competitive Tax Credit Application Cycle in the Rural Region 5 Funding Pool, the proposed Providence at Allen Street, a general population development to be located in the northeast quadrant of Allen Street and Tubb Street, Kountze, Hardin County, Texas with the TDHCA Application number of #18283 and that this formal action has been taken to put on record the opinion expressed by the City of Kountze; and

BE IT FURTHER RESOLVED, that for the purpose of supporting the Development and qualifying for points under Title 10, Rule 11.9(d)(1) of the Texas Administrative Code, the City of Kountze, Texas, acting through its governing body, hereby confirms that it supports the Pines at Allen Street development to be located at the northeast quadrant of Allen Street and Tubb Street, Kountze, Hardin County, Texas, and that this formal action has been taken to put on record the opinion expressed by the City on this date for the purpose of Title 10, Rule 11.9(d)(1) of the Texas Administrative Code; and

BE IT FURTHER RESOLVED, that for the purpose of Title 10, Rule 11.9(d)(2) of the Texas Administrative Code, the City Council hereby approves and authorizes the financial support of the Development in the amount of Two Hundred Fifty Dollars and Zero Cents ($250.00) in reduced fees for building permits and/or utility connection fees, in connection with the construction of the Development after the Development receives an award of Housing Tax Credits; and

BE IT FURTHER RESOLVED, the City Council hereby approves and authorizes the execution on behalf of the City of all other documents and writings whatsoever that may be necessary or convenient, in the reasonable opinion of either the City’s Mayor or the City’s Attorney, for carrying out these resolutions; and

BE IT FURTHER RESOLVED, that Fred E. Williams, Mayor, is hereby authorized, empowered, and directed to certify these resolutions to the TDHCA; and

BE IT FURTHER RESOLVED, that these resolutions shall be effective as of their date of passage by City Council.

Passed and Approved this 18th day of January, 2018

Fred E. Williams, Mayor
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
   - Yes  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: 35.00%
     - Developer Fee: 35.00%
     - Total: 170.00%
   - 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:
   - □ 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.
   - □ 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.
   - □ 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: 0
   Total Points Claimed: 2
Statement Regarding Experience in the Housing Industry and Material Participation in the Development

Nautical Affordable Housing, Inc. (Nautical) is a nonprofit organization that has been constructing affordable housing for low to moderate income families since 2009. To date, Nautical has received eight 9% Competitive Housing Tax Credit awards and one Non-Competitive 4% award. Of these awards, six have completed construction.

Nautical is the sole member of the general partner and the developer for Pines at Allen Street and will materially participate in the development throughout the compliance period. Nautical will perform all decision making related to the development, will conduct regular site visits to ensure proper operation and physical condition, and will provide oversight over the property management company.
Dear Applicant:

Based on information you 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).

Because you are a newly created organization, we are not now making a final determination of your foundation status under section 509(a) of the Code. However, we have determined that you can reasonably expect to be a publicly supported organization described in sections 509(a)(1) and 170(b)(1)(A)(vi).

Accordingly, during an advance ruling period you will be treated as a publicly supported organization, and not as a private foundation. This advance ruling period begins and ends on the dates shown above.

Within 90 days after the end of your advance ruling period, you must send us the information needed to determine whether you have met the requirements of the applicable support test during the advance ruling period. If you establish that you have been a publicly supported organization, we will classify you as a section 509(a)(1) or 509(a)(2) organization as long as you continue to meet the requirements of the applicable support test. If you do not meet the public support requirements during the advance ruling period, we will classify you as a private foundation for future periods. Also, if we classify you as a private foundation, we will treat you as a private foundation from your beginning date for purposes of section 507(d) and 4940.

Grantors and contributors may rely on our determination that you are not a private foundation until 90 days after the end of your advance ruling period. If you send us the required information within the 90 days, grantors and contributors may continue to rely on the advance determination until we make
NAUTICAL AFFORDABLE HOUSING INC

a final determination of your foundation status.

If we publish a notice in the Internal Revenue Bulletin stating that we will no longer treat you as a publicly supported organization, grantors and contributors may not rely on this determination after the date we publish the notice. In addition, if you lose your status as a publicly supported organization, and a grantor or contributor was responsible for, or was aware of, the act or failure to act, that resulted in your loss of such status, that person may not rely on this determination from the date of the act or failure to act. Also, if a grantor or contributor learned that we had given notice that you would be removed from classification as a publicly supported organization, then that person may not rely on this determination as of the date he or she acquired such knowledge.

If you change your sources of support, your purposes, character, or method of operation, please let us know so we can consider the effect of the change on your exempt status and foundation status. If you amend your organizational document or bylaws, please send us a copy of the amended document or bylaws. Also, let us know all changes in your name or address.

As of January 1, 1984, you are liable for social security taxes under the Federal Insurance Contributions Act on amounts 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).

Organizations that are not private foundations are not subject to the private foundation excise taxes under Chapter 42 of the Internal Revenue Code. However, you are not automatically exempt from other federal excise taxes. If you have any questions about excise, employment, or other federal taxes, please let us know.

Donors may deduct contributions to you as provided in section 170 of the Internal Revenue 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 sections 2055, 2106, and 2522 of the Code.

Donors may deduct contributions to you 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. Revenue Ruling 67-246, published in Cumulative Bulletin 1967-2, on page 104, gives guidelines regarding when taxpayers may deduct payments for admission to, or other participation in, fundraising activities for charity.

You are not required to file Form 990, Return of Organization Exempt From Income Tax, if your gross receipts each year are normally $25,000 or less. If you receive a Form 990 package in the mail, 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. Because you will be treated as a public charity for return filing purposes during your entire advance ruling period, you should file Form 990 for each year in your advance ruling period.
that you exceed the $25,000 filing threshold even if your sources of support do not satisfy the public support test specified in the heading of this letter.

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, please be sure your return is complete before you file it.

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 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 need an employer identification number even if you have no employees. If an employer identification number was not entered on your application, we will assign a number to you and advise you of it. Please use that number on all returns you file and in all correspondence with the Internal Revenue Service.

If we said 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 us 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,

Lois G. Kerner
Director, Exempt Organizations

Enclosure(s):
Form 872-C
Dear Applicant:

Our letter dated AUGUST 7, 2002, stated you would be exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code, and you would be treated as a public charity, rather than as a private foundation, during an advance ruling period.

Based on the information you submitted, our letter dated MAY 16, 2008 in which you were presumed to be a private foundation is hereby superseded. You are classified as a public charity under the Code section listed in the heading of this letter. Since your exempt status was not under consideration, you continue to be classified as an organization exempt from Federal income tax under section 501(c)(3) of the Code.

Publication 557, Tax-Exempt Status for Your Organization, provides detailed information about your rights and responsibilities as an exempt organization. You may request a copy by calling the toll-free number for forms, (800) 829-3676. Information is also available on our Internet Web Site at www.irs.gov.

If you have general questions about exempt organizations, please call our toll-free number shown in the heading.

Please keep this letter in your permanent records.

Sincerely yours,

Robert Choi
Director, Exempt Organizations Rulings and Agreements
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:

Information about Organizations that will own or control the Applicant or other related organizations will be provided in the List of Organizations with an Ownership Special Interest in the Applicant form.

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!
Pines at Allen Street
Owner and Developer Organizational Charts

Nonprofit Participation
100% GP Interest
35% Cash Flow
35% Developer Fee

Persons with Control Over Owner
General Partner - Nautical Affordable Housing, Inc.; Donald R. Ball

Persons with Control Over Co-Developers
Nautical Affordable Housing, Inc. - Donald R. Ball
ITEX Development, LLC - The ITEX Group, LLC; Christopher A. Akbari
Persons with Control Over Guarantors
The ITEX Group, LLC
Christopher A. Akbari
### List of Organizations and Principals

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: Kountze Pines at Allen Street GP, LLC</th>
<th>Role/Title: General Partner</th>
</tr>
</thead>
<tbody>
<tr>
<td>Address: 3735 Honeywood Court</td>
<td>City: Port Arthur  State: TX  Zip: 77642</td>
<td></td>
</tr>
<tr>
<td>Name(s) of Entities the Organization Owns or Controls: Kountze Pines at Allen Street, LP</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organization legally formed? No</td>
<td>Date formed: TBD</td>
<td>Legal Org is or will be: Limited Liability Company</td>
</tr>
<tr>
<td>Previous TDHCA Experience? No</td>
<td>Phone: (409) 724-0020</td>
<td>Email: <a href="mailto:apps@itexgrp.com">apps@itexgrp.com</a></td>
</tr>
<tr>
<td>Organization is identified on Org. Chart? Yes</td>
<td>Ability to exercise Control over the Development? Yes</td>
<td></td>
</tr>
<tr>
<td>List of Sub-Entities or Principals:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Nautical Affordable Housing, Inc.</td>
<td>TDHCA Experience: Yes</td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>Name(s) of Entities the Organization Owns or Controls: N/A</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>Organization legally formed? Yes</td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>Date formed: 5/24/2002</td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td>Legal Org is or will be: Non-Profit</td>
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</tr>
<tr>
<td>6.</td>
<td>TDHCA Experience: Yes</td>
<td></td>
</tr>
<tr>
<td>7.</td>
<td>Name(s) of Entities the Organization Owns or Controls: N/A</td>
<td></td>
</tr>
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<td>8.</td>
<td>Organization legally formed? Yes</td>
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<td>9.</td>
<td>Date formed: 10/14/2013</td>
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<tr>
<td>10.</td>
<td>Legal Org is or will be: Limited Liability Company</td>
<td></td>
</tr>
<tr>
<td>11.</td>
<td>Previous TDHCA Experience? Yes</td>
<td></td>
</tr>
<tr>
<td>12.</td>
<td>Phone: (409) 724-0020</td>
<td></td>
</tr>
<tr>
<td>13.</td>
<td>Email: <a href="mailto:apps@itexgrp.com">apps@itexgrp.com</a></td>
<td></td>
</tr>
<tr>
<td>14.</td>
<td>Organization is identified on Org. Chart? Yes</td>
<td></td>
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<tr>
<td>15.</td>
<td>Ability to exercise Control over the Development? Yes</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Org. 2</th>
<th>Organization Legal Name: Nautical Affordable Housing, Inc.</th>
<th>Role/Title: Sole Member/Mgr. and Co-Developer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Address: 1885 E Farragut</td>
<td>City: Orange  State: TX  Zip: 77630</td>
<td></td>
</tr>
<tr>
<td>Name(s) of Entities the Organization Owns or Controls: Kountze Pines at Allen Street GP, LLC</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organization legally formed? Yes</td>
<td>Date formed: 5/24/2002</td>
<td>Legal Org is or will be: Non-Profit</td>
</tr>
<tr>
<td>Previous TDHCA Experience? Yes</td>
<td>Phone: (409) 883-5882</td>
<td>Email: <a href="mailto:dball1@gt.rr.com">dball1@gt.rr.com</a></td>
</tr>
<tr>
<td>Organization is identified on Org. Chart? Yes</td>
<td>Ability to exercise Control over the Development? Yes</td>
<td></td>
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<tr>
<td>List of Sub-Entities or Principals:</td>
<td></td>
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</tr>
<tr>
<td>1. Donald R. Ball</td>
<td>TDHCA Experience: Yes</td>
<td></td>
</tr>
<tr>
<td>2. Betty Ball</td>
<td>TDHCA Experience: Yes</td>
<td></td>
</tr>
<tr>
<td>3. Karen Borel</td>
<td>TDHCA Experience: Yes</td>
<td></td>
</tr>
<tr>
<td>4. Billy Joe Smith</td>
<td>TDHCA Experience: Yes</td>
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</table>

<table>
<thead>
<tr>
<th>Org. 3</th>
<th>Organization Legal Name: The ITEX Group, LLC</th>
<th>Role/Title: Co-Developer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Address: 3735 Honeywood Court</td>
<td>City: Port Arthur  State: TX  Zip: 77642</td>
<td></td>
</tr>
<tr>
<td>Name(s) of Entities the Organization Owns or Controls: N/A</td>
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<td></td>
</tr>
<tr>
<td>Organization legally formed? Yes</td>
<td>Date formed: 10/14/2014</td>
<td>Legal Org is or will be: Limited Liability Company</td>
</tr>
<tr>
<td>Previous TDHCA Experience? Yes</td>
<td>Phone: (409) 724-0020</td>
<td>Email: <a href="mailto:apps@itexgrp.com">apps@itexgrp.com</a></td>
</tr>
<tr>
<td>Organization is identified on Org. Chart? Yes</td>
<td>Ability to exercise Control over the Development? Yes</td>
<td></td>
</tr>
<tr>
<td>List of Sub-Entities or Principals:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. The ITEX Group, LLC</td>
<td>TDHCA Experience: Yes</td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>Name(s) of Entities the Organization Owns or Controls: N/A</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>Organization legally formed? Yes</td>
<td></td>
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<tr>
<td>4.</td>
<td>Date formed: 10/14/2014</td>
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</tr>
<tr>
<td>5.</td>
<td>Legal Org is or will be: Limited Liability Company</td>
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<tr>
<td>6.</td>
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<td>7.</td>
<td>Phone: (409) 724-0020</td>
<td></td>
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<td>Email: <a href="mailto:apps@itexgrp.com">apps@itexgrp.com</a></td>
<td></td>
</tr>
<tr>
<td>9.</td>
<td>Organization is identified on Org. Chart? Yes</td>
<td></td>
</tr>
<tr>
<td>10.</td>
<td>Ability to exercise Control over the Development? Yes</td>
<td></td>
</tr>
<tr>
<td>Organization Legal Name</td>
<td>Role/Title</td>
<td></td>
</tr>
<tr>
<td>-------------------------</td>
<td>------------</td>
<td></td>
</tr>
<tr>
<td>The ITEX Group, LLC</td>
<td>Member of ITEX Partners, LLC</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Address: 3735 Honeywood Court</th>
<th>City: Port Arthur</th>
<th>State: TX</th>
<th>Zip: 77642</th>
</tr>
</thead>
</table>

**Name(s) of Entities the Organization Owns or Controls:**

- ITEX Development, LLC

**Organization legally formed?** Yes **Date formed:** 7/8/2009 **Legal Org is or will be:** Limited Liability Company

**Previous TDHCA Experience?** Yes **Phone:** (409) 724-0020 **Email:** apps@itexgrp.com

**Organization is identified on Org. Chart?** Yes **Ability to exercise Control over the Development?** No

**List of Sub-Entities or Principals:**

1. Christopher A. Akbari
2. The Akbari Family Dynasty Trust, FBO Christopher Ali Akbari
3. ITEX Partners, LLC

**TDHCA Experience:** Yes

---

<table>
<thead>
<tr>
<th>Organization Legal Name</th>
<th>Role/Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kountze Pines at Allen Street SLP, LLC</td>
<td>Special LP</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Address: 3735 Honeywood Court</th>
<th>City: Port Arthur</th>
<th>State: TX</th>
<th>Zip: 77642</th>
</tr>
</thead>
</table>

**Name(s) of Entities the Organization Owns or Controls:**

- Kountze Pines at Allen Street, LP

**Organization legally formed?** No **Date formed:** TBD **Legal Org is or will be:** Limited Liability Company

**Previous TDHCA Experience?** No **Phone:** (409) 724-0020 **Email:** apps@itexgrp.com

**Organization is identified on Org. Chart?** Yes **Ability to exercise Control over the Development?** No

**List of Sub-Entities or Principals:**

1. ITEX Partners, LLC
2. Kountze Pines at Allen Street SLP, LLC
3. The ITEX Group, LLC

**TDHCA Experience:** Yes

---

<table>
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<tr>
<th>Organization Legal Name</th>
<th>Role/Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Akbari Family Dynasty Trust, FBO Christopher Ali Akbari</td>
<td>Member of The ITEX Group, LLC</td>
</tr>
</tbody>
</table>

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<th>State: TX</th>
<th>Zip: 77642</th>
</tr>
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</table>

**Name(s) of Entities the Organization Owns or Controls:**

- Member of The ITEX Group, LLC

**Organization legally formed?** Yes **Date formed:** 9/17/2009 **Legal Org is or will be:** Limited Liability Company

**Previous TDHCA Experience?** Yes **Phone:** (409) 724-0020 **Email:** apps@itexgrp.com

**Organization is identified on Org. Chart?** Yes **Ability to exercise Control over the Development?** No

**List of Sub-Entities or Principals:**

1. Member of The ITEX Group, LLC
2. Christopher A. Akbari
3. The Akbari Family Dynasty Trust, FBO Christopher Ali Akbari

**TDHCA Experience:** Yes
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).

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<td><a href="mailto:apps@itexgrp.com">apps@itexgrp.com</a></td>
</tr>
<tr>
<td>City &amp; State of Home Addr:</td>
<td>Port Arthur, TX</td>
</tr>
<tr>
<td>Applicant Legal Name:</td>
<td>Kountze Pines at Allen Street, LP</td>
</tr>
</tbody>
</table>

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>
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<tr>
<th>TDHCA ID#</th>
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<th>Property City</th>
<th>Program</th>
<th>Control began (mm/yy)</th>
<th>Control End (mm/yy)</th>
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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>
</tr>
</thead>
<tbody>
<tr>
<td>HOME:</td>
<td>CFDC</td>
<td>HBA</td>
<td>PWD</td>
<td>TBRA</td>
</tr>
<tr>
<td>HTF/OCI:</td>
<td>DR</td>
<td>HRA</td>
<td>SFD</td>
<td></td>
</tr>
<tr>
<td>Other:</td>
<td>AYBR</td>
<td>Bootstrap</td>
<td>CFDC</td>
<td>Self-Help</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>NSP</td>
</tr>
</tbody>
</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).

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<tr>
<td>City &amp; State of Home Addr:</td>
<td>Port Arthur, TX</td>
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<tr>
<td>Applicant Legal Name:</td>
<td>Kountze Pines at Allen Street, LP</td>
</tr>
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</table>

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>
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<th>Control began (mm/yy)</th>
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</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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<tr>
<th>Community Affairs:</th>
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<tr>
<td></td>
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<td>HRA</td>
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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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<th>Community Affairs:</th>
<th>CEAP</th>
<th>DOE</th>
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Person/Role: ITEX Partners, LLC
Email Address: apps@itexgrp.com
City & State of Home Addr: Port Arthur, TX
Applicant Legal Name: Kountze Pines at Allen Street, LP

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>HTC</td>
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Person/Role: The ITEX Group, LLC

Email Address: apps@itexgrp.com

City & State of Home Addr: Port Arthur, TX

Applicant Legal Name: Kountze Pines at Allen Street, LP

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**Person/Role:** The Akbari Family Dynasty Trust FBO Christopher Ali Akbari U/A Trustee - Christopher A. Akbari

**Email Address:** apps@itexgrp.com

**City & State of Home Addr:** Port Arthur, TX

**Applicant Legal Name:** Kountze Pines at Allen Street, LP

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: Christopher A. Akbari
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<td>01/18</td>
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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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<tr>
<td>Other:</td>
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<th>DOE</th>
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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).

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<td><a href="mailto:apps@itexgrp.com">apps@itexgrp.com</a></td>
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<td>City &amp; State of Home Addr:</td>
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<tr>
<td>Applicant Legal Name:</td>
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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: Donald R. Ball
Email Address: apps@itexgrp.com
City & State of Home Addr: Orange, TX
Applicant Legal Name: Kountze Pines at Allen Street, LP

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Email Address: apps@itexgrp.com
City & State of Home Addr: Orange, TX
Applicant Legal Name: Kountze Pines at Allen Street, LP

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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:** Nautical Affordable Housing, Inc.

<table>
<thead>
<tr>
<th>Is the Organization a 501(c)(3) or (4) as of the beginning of the Application Acceptance Period?</th>
<th>Yes</th>
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| If no to the question above, what is its current legal status? | N/A |
| If "Other" please specify: | N/A |

**Date of legal formation of Nonprofit Organization:** 5/24/2002

1) **Is Applicant comprised of a joint venture between a Nonprofit and for-profit entity?** No

   **What is the ownership percentage of this nonprofit organization?** 100% GP

2) **Describe the nonprofit’s participation:** Sole Member / Manager of Applicant and Co-Developer

3) **Describe the nonprofit’s participation in the operation of the Development throughout the Compliance and/or extended use period:**

   - Promotion of affordable housing to benefit the residents. Nautical Affordable Housing, Inc. is long-term Member/Manager and will be involved in the development throughout the compliance and extended use periods.

4) **Will the nonprofit receive part of the development fees paid in connection with the development?** Yes

   **If "Yes," explain:** Nautical Affordable Housing, Inc. will receive 35% of the developer fee.
<table>
<thead>
<tr>
<th>Name</th>
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<th>Address</th>
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<th>State</th>
<th>Zip</th>
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</thead>
<tbody>
<tr>
<td>Donald R. Ball</td>
<td>Executive Director</td>
<td>1040 Hwy. 87 South Apt. 1511</td>
<td>Orange</td>
<td>TX</td>
<td>77630</td>
</tr>
<tr>
<td>Phone</td>
<td>Ext. Fax or Email</td>
<td><a href="mailto:dball1@gt.rr.com">dball1@gt.rr.com</a></td>
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<tr>
<td>Billy Joe Smith</td>
<td>President</td>
<td>6411 Rosewood</td>
<td>Orange</td>
<td>TX</td>
<td>77632</td>
</tr>
<tr>
<td>Phone</td>
<td>Ext. Fax or Email</td>
<td><a href="mailto:Phyllnbill@yahoo.com">Phyllnbill@yahoo.com</a></td>
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<tr>
<td>Karen Borel</td>
<td>Vice President</td>
<td>5612 Rosewood</td>
<td>Galveston</td>
<td>TX</td>
<td>77551</td>
</tr>
<tr>
<td>Phone</td>
<td>Ext. Fax or Email</td>
<td>BNK <a href="mailto:borel@AOL.com">borel@AOL.com</a></td>
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<td>Secretary</td>
<td>1040 Hwy. 87 South Apt. 1511</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:

- [x] IRS determination letter
- [x] Third Party legal opinion (not applicable to Tax-Exempt Bond Developments)
- [x] The Nonprofit’s most recent financial statement as prepared by a Certified Public Accountant (not applicable to Tax-Exempt Bond Developments)
- [x] Certification regarding Board member residence (not applicable to Tax-Exempt Bond Developments)
Dear Applicant:

Based on information you 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).

Because you are a newly created organization, we are not now making a final determination of your foundation status under section 509(a) of the Code. However, we have determined that you can reasonably expect to be a publicly supported organization described in sections 509(a)(1) and 170(b)(1)(A)(vi).

Accordingly, during an advance ruling period you will be treated as a publicly supported organization, and not as a private foundation. This advance ruling period begins and ends on the dates shown above.

Within 90 days after the end of your advance ruling period, you must send us the information needed to determine whether you have met the requirements of the applicable support test during the advance ruling period. If you establish that you have been a publicly supported organization, we will classify you as a section 509(a)(1) or 509(a)(2) organization as long as you continue to meet the requirements of the applicable support test. If you do not meet the public support requirements during the advance ruling period, we will classify you as a private foundation for future periods. Also, if we classify you as a private foundation, we will treat you as a private foundation from your beginning date for purposes of section 507(d) and 4940.

Grantors and contributors may rely on our determination that you are not a private foundation until 90 days after the end of your advance ruling period. If you send us the required information within the 90 days, grantors and contributors may continue to rely on the advance determination until we make
a final determination of your foundation status.

If we publish a notice in the Internal Revenue Bulletin stating that we will no longer treat you as a publicly supported organization, grantors and contributors may not rely on this determination after the date we publish the notice. In addition, if you lose your status as a publicly supported organization, and a grantor or contributor was responsible for, or was aware of, the act or failure to act, that resulted in your loss of such status, that person may not rely on this determination from the date of the act or failure to act. Also, if a grantor or contributor learned that we had given notice that you would be removed from classification as a publicly supported organization, then that person may not rely on this determination as of the date he or she acquired such knowledge.

If you change your sources of support, your purposes, character, or method of operation, please let us know so we can consider the effect of the change on your exempt status and foundation status. If you amend your organizational document or bylaws, please send us a copy of the amended document or bylaws. Also, let us know all changes in your name or address.

As of January 1, 1984, you are liable for social security taxes under the Federal Insurance Contributions Act on amounts 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).

Organizations that are not private foundations are not subject to the private foundation excise taxes under Chapter 42 of the Internal Revenue Code. However, you are not automatically exempt from other federal excise taxes. If you have any questions about excise, employment, or other federal taxes, please let us know.

Donors may deduct contributions to you as provided in section 170 of the Internal Revenue 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 sections 2055, 2106, and 2522 of the Code.

Donors may deduct contributions to you 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. Revenue Ruling 67-246, published in Cumulative Bulletin 1967-2, on page 104, gives guidelines regarding when taxpayers may deduct payments for admission to, or other participation in, fundraising activities for charity.

You are not required to file Form 990, Return of Organization Exempt From Income Tax, if your gross receipts each year are normally $25,000 or less. If you receive a Form 990 package in the mail, 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. Because you will be treated as a public charity for return filing purposes during your entire advance ruling period, you should file Form 990 for each year in your advance ruling period.

Letter 1045 (DO/CG)
that you exceed the $25,000 filing threshold even if your sources of support
do not satisfy the public support test specified in the heading of this letter.

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, please be sure your return is complete before you
file it.

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 unre­
lated trade or business as defined in section 513 of the Code.

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 need an employer identification number even if you have no employees.
If an employer identification number was not entered on your application, we
will assign a number to you and advise you of it. Please use that number on
all returns you file and in all correspondence with the Internal Revenue
Service.

If we said 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 us 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,

Lois G. Lerner
Director, Exempt Organizations

Enclosure(s):
Form 872-C
Dear Applicant:

Our letter dated AUGUST 7, 2002, stated you would be exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code, and you would be treated as a public charity, rather than as a private foundation, during an advance ruling period.

Based on the information you submitted, our letter dated MAY 16, 2008 in which you were presumed to be a private foundation is hereby superseded. You are classified as a public charity under the Code section listed in the heading of this letter. Since your exempt status was not under consideration, you continue to be classified as an organization exempt from Federal income tax under section 501(c)(3) of the Code.

Publication 557, Tax-Exempt Status for Your Organization, provides detailed information about your rights and responsibilities as an exempt organization. You may request a copy by calling the toll-free number for forms, (800) 829-3676. Information is also available on our Internet Web Site at www.irs.gov.

If you have general questions about exempt organizations, please call our toll-free number shown in the heading.

Please keep this letter in your permanent records.

Sincerely yours,

Robert Choi
Director, Exempt Organizations Rulings and Agreements
Ladies and Gentlemen:

Kountze Pines at Allen Street, LP, a to-be-formed limited partnership, is the Applicant. Nautical Affordable Housing, Inc., a nonprofit corporation, will be the sole member of the general partner of the Applicant. We have been asked to render my 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 my opinion, I have reviewed the Articles of Incorporation dated May 24, 2002 and filed with the Secretary of State of Texas on May 31, 2002, the Restated Articles of Incorporation dated February 1, 2009 and filed with the Secretary of State of Texas on May 4, 2009, and the Bylaws of Nautical Affordable Housing, Inc. as amended from time to time, as well as the Letter of Determination dated August 7, 2002 from the Internal Revenue Service as updated by letter dated October 13, 2009 confirming the organization's status as an organization exempt from taxes under the Internal Revenue Code. I have also examined the records of Nautical Affordable Housing, Inc. to determine whether or not there exists any identity of interest between Nautical Affordable Housing, Inc. and any for-profit sponsors of the above-referenced development, (the "Development"). I have reviewed the original or certified copies of the development agreement, the partnership agreement, and such other documents, instruments, and writings as I deemed necessary or advisable to enable me to render this opinion. I 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 my opinion.

Based upon the foregoing, it is my opinion that:

(1) Nautical Affordable Housing, Inc. is not affiliated with or Controlled (within the meaning of 10 TAC §10.3(a)(29)) by a for-profit organization with respect to the Development.

(2) Nautical Affordable Housing, Inc. is a "Qualified Nonprofit Organization"
within the meaning of §2306.6706 and §42(h)(5) of the Internal Revenue Code.

(3) Nautical Affordable Housing, Inc. 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. Nautical Affordable Housing, Inc. will be the sole and managing member of the general partner of the Applicant.

(4) Nautical Affordable Housing, Inc. 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) Kountze Pines at Allen Street, LP is eligible for a housing credit allocation from a set-aside reserved for the use of qualified nonprofit organizations. Nautical Affordable Housing, Inc. will have the controlling interest in the Applicant through its 100% ownership of Applicant's sole general partner and by being its sole managing member. Additionally, the nonprofit organization or its nonprofit subsidiary will be either a co-developer or the sole developer of the project and will otherwise meet the requirements of §2306.6706 and §2306.6729 of the Tex. Gov’t Code and §42(h)(5) of the Internal Revenue Code.

(6) Nautical Affordable Housing, Inc. will have the managing 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 Tex. Gov’t Code and §42(h)(5) of the Internal Revenue Code as the Developer or co-Developer as evidenced in the development agreement.

(7) Nautical Affordable Housing, Inc. 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) Nautical Affordable Housing, Inc. has the ability to do business as a nonprofit in Texas.

Sincerely,

James R. Dunaway

JRD:jr
NAUTICAL AFFORDABLE HOUSING, INC. AND SUBSIDIARIES
ORANGE, TEXAS

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED
MAY 31, 2017 AND 2016
<table>
<thead>
<tr>
<th>CONTENT</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACCOUNTANTS' COMPILATION REPORT</td>
<td>1</td>
</tr>
<tr>
<td>CONSOLIDATED STATEMENTS OF FINANCIAL POSITION</td>
<td>2</td>
</tr>
<tr>
<td>CONSOLIDATED STATEMENTS OF ACTIVITIES</td>
<td>3</td>
</tr>
</tbody>
</table>
ACCOUNTANTS' COMPILATION REPORT

To the Board of Directors
Nautical Affordable Housing, Inc. and Subsidiaries

Management is responsible for the accompanying consolidated financial statements of Nautical Affordable Housing, Inc. (a nonprofit organization) and Subsidiaries, which comprise the consolidated statements of financial position as of May 31, 2017 and 2016, and the related consolidated statements of activities for the years then ended in accordance with accounting principles generally accepted in the United States of America. We have performed compilation engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the consolidated financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these consolidated financial statements.

Management has elected to omit substantially all disclosures and the statement of cash flows required in financial statements prepared in accordance with accounting principles generally accepted in the United States of America. If the omitted disclosures and the statement of cash flows were included in the consolidated financial statements, they might influence the user's conclusions about the Organization's financial position, changes in net assets, and cash flows. Accordingly, the consolidated financial statements are not designed for those who are not informed about such matters.

February 13, 2018

Certified Public Accountants
CONSOLIDATED FINANCIAL STATEMENTS
<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>$ 163</td>
<td>$ 56,100</td>
</tr>
<tr>
<td>Accrued interest receivable</td>
<td>237,552</td>
<td>183,198</td>
</tr>
<tr>
<td>Furnishings and equipment (Net of accumulated depreciation of $4,000)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Lots</td>
<td>5,069</td>
<td>5,069</td>
</tr>
<tr>
<td>Investments</td>
<td>(3,735)</td>
<td>(3,646)</td>
</tr>
<tr>
<td>Related party notes receivable</td>
<td>20,480,424</td>
<td>15,085,443</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td><strong>$20,719,473</strong></td>
<td><strong>$15,326,164</strong></td>
</tr>
<tr>
<td><strong>LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable</td>
<td>$ 7,841</td>
<td>$ 20,074</td>
</tr>
<tr>
<td>Note payable</td>
<td>14,045,000</td>
<td>9,650,019</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td><strong>$14,052,841</strong></td>
<td><strong>$ 9,670,093</strong></td>
</tr>
<tr>
<td><strong>NET ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Controlling interest</td>
<td>$ 6,665,965</td>
<td>$ 5,655,505</td>
</tr>
<tr>
<td>Noncontrolling interest</td>
<td>667</td>
<td>566</td>
</tr>
<tr>
<td><strong>TOTAL NET ASSETS</strong></td>
<td><strong>$ 6,666,632</strong></td>
<td><strong>$ 5,666,071</strong></td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES AND NET ASSETS</strong></td>
<td><strong>$20,719,473</strong></td>
<td><strong>$15,326,164</strong></td>
</tr>
</tbody>
</table>

See accountants' compilation report.
NAUTICAL AFFORDABLE HOUSING, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF ACTIVITIES

FOR THE YEARS ENDED MAY 31, 2017 AND 2016

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OPERATING REVENUES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grant proceeds</td>
<td>$1,000,000</td>
<td>$0</td>
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<tr>
<td>Partnership income (loss)</td>
<td>(90)</td>
<td>175,113</td>
</tr>
<tr>
<td>Interest income</td>
<td>54,355</td>
<td>54,354</td>
</tr>
<tr>
<td>Donations</td>
<td>431</td>
<td>806</td>
</tr>
<tr>
<td><strong>TOTAL OPERATING REVENUES</strong></td>
<td>$1,054,696</td>
<td>$230,273</td>
</tr>
<tr>
<td><strong>OPERATING EXPENSES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consulting fee</td>
<td>$35,000</td>
<td>$119,000</td>
</tr>
<tr>
<td>Depreciation</td>
<td>0</td>
<td>361</td>
</tr>
<tr>
<td>Legal and professional</td>
<td>7,765</td>
<td>19,625</td>
</tr>
<tr>
<td>Office</td>
<td>423</td>
<td>84</td>
</tr>
<tr>
<td>Property taxes</td>
<td>106</td>
<td>106</td>
</tr>
<tr>
<td>Telephone</td>
<td>841</td>
<td>907</td>
</tr>
<tr>
<td><strong>TOTAL OPERATING EXPENSES</strong></td>
<td>$44,135</td>
<td>$140,083</td>
</tr>
<tr>
<td><strong>CHANGE IN NET ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net assets at beginning of year</td>
<td>5,656,071</td>
<td>5,655,881</td>
</tr>
<tr>
<td><strong>NET ASSETS AT END OF YEAR</strong></td>
<td>$6,666,632</td>
<td>$5,656,071</td>
</tr>
</tbody>
</table>

See accountants' compilation report.
Certificate of Residence
Affidavit for Texas Resident

I, Donald R. Ball, do hereby swear that I reside at 1040 Hwy 87, Apt 1511, Orange, Orange County, Texas 77630; that I now am and have for a period of at least one year immediately prior to the date of this affidavit been a resident of the State of Texas.

Donald R. Ball

State of Texas
County of Orange

The foregoing instrument was acknowledged before me on this 2 day of February, 2018, by Donald R. Ball.

(SEAL) DEBORAH LYNDELL FONT Notary Public STATE OF TEXAS ID#126310869 My Comm. Exp. Jan. 19, 2021

Notary Public, State of Texas
Certificate of Residence
Affidavit for Texas Resident

I, Billy Joe Smith, do hereby swear that I reside at 6411 Rosewood Drive, Orange, Orange County, Texas 77632; that I now am and have for a period of at least one year immediately prior to the date of this affidavit been a resident of the State of Texas.

Billy Joe Smith

State of Texas

County of Orange

The foregoing instrument was acknowledged before me on the 2nd day of February, 2018, by Billy Joe Smith.

Notary Public, State of Texas
Certificate of Residence
Affidavit for Texas Resident

I, Karen Borel, do hereby swear that I reside at 5612 Rosewood Drive, Galveston, Galveston County, Texas 77551; that I now am and have for a period of at least one year immediately prior to the date of this affidavit been a resident of the State of Texas.

Karen Borel

State of Texas §
County of Galveston §

The foregoing instrument was acknowledged before me on this 2nd day of February, 2018, by
Karen Borel.

(SEAL)

Notary Public, State of Texas
Certificate of Residence  
Affidavit for Texas Resident

I, Betty Ball, do hereby swear that I reside at 1040 Hwy 87 South, Apt 1511, Orange, Orange County, Texas 77630; that I now am and have for a period of at least one year immediately prior to the date of this affidavit been a resident of the State of Texas.

Betty Ball

State of Texas  §
County of Orange  §

The foregoing instrument was acknowledged before me on this 2 day of February, 2018, by Betty Ball.

(SEAL)

DEBORAH LYNDELL FONT  
Notary Public  
STATE OF TEXAS  
ID#129310669  

Notary Public, State of Texas
**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>Nautical Affordable Housing, Inc.</th>
<th>Donald R. Ball</th>
<th>(409) 988-1851</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contact Name</td>
<td>Phone</td>
<td></td>
</tr>
<tr>
<td><a href="mailto:dball1@gt.rr.com">dball1@gt.rr.com</a></td>
<td>35% of developer fee</td>
<td>04-3674725</td>
</tr>
<tr>
<td>Email</td>
<td>Proposed Fee</td>
<td>Tax ID Number (TIN)</td>
</tr>
<tr>
<td>Certified Texas HUB?</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>This is a direct or indirect, financial, or other interest with Applicant or other team members*</td>
<td>Yes</td>
<td></td>
</tr>
</tbody>
</table>

### Housing General Contractor:

<table>
<thead>
<tr>
<th>Nautical Affordable Housing, Inc.</th>
<th>Donald R. Ball</th>
<th>(409) 988-1851</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contact Name</td>
<td>Phone</td>
<td></td>
</tr>
<tr>
<td><a href="mailto:dball1@gt.rr.com">dball1@gt.rr.com</a></td>
<td>04-3674725</td>
<td></td>
</tr>
<tr>
<td>Email</td>
<td>Proposed Fee</td>
<td>Tax ID Number (TIN)</td>
</tr>
<tr>
<td>Certified Texas HUB?</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>This is a direct or indirect, financial, or other interest with Applicant or other team members*</td>
<td>Yes</td>
<td></td>
</tr>
</tbody>
</table>

### Infrastructure General Contractor:

<table>
<thead>
<tr>
<th>ICON Builders, LLC</th>
<th>Kevin Hardy</th>
<th>(713) 963-8660</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contact Name</td>
<td>Phone</td>
<td></td>
</tr>
<tr>
<td><a href="mailto:info@iconbuilders.net">info@iconbuilders.net</a></td>
<td>$460,829.00</td>
<td>76-0526177</td>
</tr>
<tr>
<td>Email</td>
<td>Proposed Fee</td>
<td>Tax ID Number (TIN)</td>
</tr>
<tr>
<td>Certified Texas HUB?</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>This is a direct or indirect, financial, or other interest with Applicant or other team members*</td>
<td>Yes</td>
<td></td>
</tr>
</tbody>
</table>

### Cost Estimator:

<table>
<thead>
<tr>
<th>Same as Infrastructure General Contractor</th>
<th>Contact Name</th>
<th>Phone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Email</td>
<td>Proposed Fee</td>
<td>Tax ID Number (TIN)</td>
</tr>
<tr>
<td>Certified Texas HUB?</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>This is a direct or indirect, financial, or other interest with Applicant or other team members*</td>
<td>Yes</td>
<td></td>
</tr>
</tbody>
</table>

### Architect:

<table>
<thead>
<tr>
<th>Long Architects</th>
<th>Cade Spell</th>
<th>(409) 866-3443</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contact Name</td>
<td>Phone</td>
<td></td>
</tr>
<tr>
<td><a href="mailto:cspell@longarchitects.com">cspell@longarchitects.com</a></td>
<td>$155,000.00</td>
<td>76-0699313</td>
</tr>
<tr>
<td>Email</td>
<td>Proposed Fee</td>
<td>Tax ID Number (TIN)</td>
</tr>
<tr>
<td>Certified Texas HUB?</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>This is a direct or indirect, financial, or other interest with Applicant or other team members*</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Role</td>
<td>Company</td>
<td>Contact Name</td>
</tr>
<tr>
<td>--------------------</td>
<td>--------------------</td>
<td>-----------------------</td>
</tr>
<tr>
<td>Engineer:</td>
<td>Same as Architect</td>
<td></td>
</tr>
<tr>
<td>Civil Engineer:</td>
<td>Soutex</td>
<td>Jeremy Mitchell</td>
</tr>
<tr>
<td>Market Analyst:</td>
<td>Valbridge Property Advisors</td>
<td>Tim Treadway</td>
</tr>
<tr>
<td>Appraiser:</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>Attorney:</td>
<td>Coats Rose</td>
<td>Tamea Dula</td>
</tr>
<tr>
<td>Accountant:</td>
<td>Novogradac &amp; Company, LP</td>
<td>Tiffany French</td>
</tr>
</tbody>
</table>
### Property Manager:

<table>
<thead>
<tr>
<th>ITEX Property Management, LLC</th>
<th>Paula Watts</th>
<th>(409) 749-0526</th>
</tr>
</thead>
<tbody>
<tr>
<td><a href="mailto:mgmt@itexmgmt.com">mgmt@itexmgmt.com</a></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5% of Gross Revenue</td>
<td></td>
<td>20-0163462</td>
</tr>
<tr>
<td>Email</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Certified Texas HUB?</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>This is a direct or indirect, financial, or other interest with Applicant or other team members*</td>
<td>Yes</td>
<td></td>
</tr>
</tbody>
</table>

### Originator of Underwriter:

<table>
<thead>
<tr>
<th>BBVA Compass</th>
<th>Ken Overshiner</th>
<th>(713) 966-2303</th>
</tr>
</thead>
<tbody>
<tr>
<td><a href="mailto:ken.overshiner@bbva.com">ken.overshiner@bbva.com</a></td>
<td>$73,950.00</td>
<td>63-0476286</td>
</tr>
<tr>
<td>Email</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Certified Texas HUB?</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>This is a direct or indirect, financial, or other interest with Applicant or other team members*</td>
<td>No</td>
<td></td>
</tr>
</tbody>
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### Bond Issuer:

<table>
<thead>
<tr>
<th>N/A</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Email</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Certified Texas HUB?</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>This is a direct or indirect, financial, or other interest with Applicant or other team members*</td>
<td>Yes</td>
<td></td>
</tr>
</tbody>
</table>

### Syndicator:

<table>
<thead>
<tr>
<th>Hudson Housing Capital</th>
<th>Josh Lappen</th>
<th>(212) 218-4446</th>
</tr>
</thead>
<tbody>
<tr>
<td><a href="mailto:josh.lappen@hudsonhousing.com">josh.lappen@hudsonhousing.com</a></td>
<td>N/A</td>
<td>54-1884498</td>
</tr>
<tr>
<td>Email</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Certified Texas HUB?</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>This is a direct or indirect, financial, or other interest with Applicant or other team members*</td>
<td>No</td>
<td></td>
</tr>
</tbody>
</table>

### Supportive Services Provider:

<table>
<thead>
<tr>
<th>Same as Property Manager</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Email</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Certified Texas HUB?</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>This is a direct or indirect, financial, or other interest with Applicant or other team members*</td>
<td>Yes</td>
<td></td>
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</tbody>
</table>

### Supportive Services Provider:

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Email</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Certified Texas HUB?</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>This is a direct or indirect, financial, or other interest with Applicant or other team members*</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Title Company</td>
<td>Contact Name</td>
<td>Phone</td>
</tr>
<tr>
<td>----------------</td>
<td>--------------</td>
<td>-------</td>
</tr>
<tr>
<td>Purple Martin Real Estate</td>
<td>Audrey Martin</td>
<td>(512) 658-6386</td>
</tr>
<tr>
<td>Phase Engineering</td>
<td>Ruben Jauregui, Jr.</td>
<td>(832) 485-2225</td>
</tr>
<tr>
<td>ITEX Development</td>
<td>Miranda Sprague</td>
<td>(409) 853-3681</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Application Consultant:</th>
<th>Email</th>
<th>Proposed Fee</th>
<th>Tax ID Number (TIN)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purple Martin Real Estate</td>
<td><a href="mailto:audrey@purplemartinre.com">audrey@purplemartinre.com</a></td>
<td>TBD</td>
<td>47-4682655</td>
</tr>
<tr>
<td>Phase Engineering</td>
<td><a href="mailto:ruben@phaseengineering.com">ruben@phaseengineering.com</a></td>
<td>$5,000.00</td>
<td>75-2502360</td>
</tr>
<tr>
<td>ITEX Development</td>
<td><a href="mailto:apps@itexgrp.com">apps@itexgrp.com</a></td>
<td>65% of developer fee</td>
<td>20-2298201</td>
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</table>

<table>
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<tr>
<th>ESA Provider:</th>
<th>Email</th>
<th>Proposed Fee</th>
<th>Tax ID Number (TIN)</th>
</tr>
</thead>
<tbody>
<tr>
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<tr>
<th>PCA Provider:</th>
<th>Email</th>
<th>Proposed Fee</th>
<th>Tax ID Number (TIN)</th>
</tr>
</thead>
<tbody>
<tr>
<td>N/A</td>
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</tr>
</tbody>
</table>

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<tr>
<th>Other:</th>
<th>Email</th>
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<th>Tax ID Number (TIN)</th>
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<tbody>
<tr>
<td></td>
<td></td>
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</tbody>
</table>
Relationships between Development Team Members

As disclosed on the Development Team Members form, there is a relationship between members of the development team. Nautical Affordable Housing, Inc. is affiliated with the applicant and is the co-developer. ITEX Partners, LLC, The ITEX Group, LLC, ITEX Development, LLC, ICON Builders, LLC and ITEX Management, LLC are affiliates.
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.
Architect 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

02-12-2018
Date

CADE L. SPELL
Printed Name

#25311  TEXAS
License Number and State

LONG ARCHITECTURE
Firm Name (If applicable)
**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

Once applicants have obtained a DUNS number, they must register with the SAM database:

https://sam.gov/portal/public/SAM

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

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

The Affirmative Marketing Plan must comply with the Affirmative Marketing requirements in the Compliance Rules.

HUD approval is not necessary if the property receives project-based Section 8 assistance.
November 21, 2016

RE: REQUEST FOR EXPERIENCE CERTIFICATE UNDER 2016 UNIFORM MULTIFAMILY RULES

Dear Mr. Ball:

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 Marni Holloway at marni.holloway@tdhca.state.tx.us.

Sincerely,

Marni Holloway
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>a. Applicant, Developers, Affiliates, and Guarantors - List below all entities or Persons meeting the definition of Applicant, Affiliate, Developer or Guarantor.</th>
<th>b. Person/entity has at least one other application in the current Application Round.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Kountze Pines at Allen Street, LP</td>
<td>No</td>
</tr>
<tr>
<td>2. Kountze Pines at Allen Street GP, LLC</td>
<td>No</td>
</tr>
<tr>
<td>3. Nautical Affordable Housing, Inc.</td>
<td>No</td>
</tr>
<tr>
<td>4. Donald R. Ball</td>
<td>No</td>
</tr>
<tr>
<td>5. Billy Joe Smith</td>
<td>No</td>
</tr>
<tr>
<td>6. Karen Borel</td>
<td>No</td>
</tr>
<tr>
<td>7. Betty Ball</td>
<td>No</td>
</tr>
<tr>
<td>8. Kountze Pines at Allen Street SLP, LLC</td>
<td>No</td>
</tr>
<tr>
<td>9. ITEX Partners, LLC</td>
<td>Yes</td>
</tr>
<tr>
<td>10. The ITEX Group, LLC</td>
<td>Yes</td>
</tr>
<tr>
<td>11. ITEX Development, LLC</td>
<td>Yes</td>
</tr>
<tr>
<td>12. The ITEX Group Management, LLC</td>
<td>Yes</td>
</tr>
<tr>
<td>13. The Akbari Family Dynasty Trust, FBO Christopher Ali Akbari</td>
<td>Yes</td>
</tr>
<tr>
<td>14. Christopher A. Akbari</td>
<td>Yes</td>
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<td>15.</td>
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<td>29.</td>
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<td>30.</td>
<td></td>
</tr>
</tbody>
</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]  Date: [Date]  Its: [Title]
Part II. Credit Limit Certification

Instructions:
Each Person and/or Entity that answered "Yes" to Part 1 (b) must complete this form.

Name and role of Person or Entity completing this form: ITEX Partners, LLC

Which is: 
☐ the Applicant (Entity that generally manages or controls the "Applicant," i.e. General Partner, Managing Partner, etc.)
☒ a Special Limited Partner or Class B Limited Partner or equivalent of the Applicant
☐ a Developer for the Applicant for this specific Application
☐ an Affiliate to the Applicant
☐ a Guarantor on the Application

Pursuant to §11.4(a) of the Qualified Allocation Plan, the Department shall not allocate more than $3 million of tax credits from the current Application Round to any Applicant, Developer, Affiliate or Guarantor. The undersigned represents to the Department that the following is a list of all developments for which the Applicant, the Developer, Affiliate, or Guarantor, has applied for an allocation of tax credit authority from the Department in the current Application Round.

<table>
<thead>
<tr>
<th>Development Name</th>
<th>Region:</th>
<th>City:</th>
<th>% Ownership:</th>
<th>% of Dev. Fee:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pines at Allen Street</td>
<td>Rural</td>
<td>Kountze</td>
<td>0.01%</td>
<td>0.00%</td>
</tr>
<tr>
<td>Retreat West Beaumont</td>
<td>Urban</td>
<td>Beaumont</td>
<td>100.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td>Fulton on the Rail</td>
<td>Urban</td>
<td>Houston</td>
<td>69.00%</td>
<td>0.00%</td>
</tr>
</tbody>
</table>

I acknowledge that Donald R. Ball is authorized to terminate the Application in the event of a conflict with §11.4(a) of the Qualified Allocation Plan.

I hereby certify that the foregoing is a complete list of Developments with respect to which I am seeking a current allocation of tax credit authority from the Department. I certify that, if the Department makes a recommendation to the Board or issues a commitment which may cause Applications for which I am the Applicant, the Developer, Affiliate or Guarantor, to receive credits in excess of $3 million, I will notify the Department in writing within three business days of the recommendation or issuance of the Commitment.

I acknowledge that if the Department determines that an Applicant, Developer, Affiliate or Guarantor, has received (in the aggregate) allocations in the current Application Round from the Department exceeding $3 million, the Department must refuse to issue one or more Commitments or Carryover Allocations, or must terminate one or more Commitments or Carryover Allocations.

Under penalty of perjury, I certify that this information and these statements are true, complete, and accurate:

By: ________________________________  ITEX Partners, LLC
Signature of Applicant, Developer, Affiliate or Guarantor (as appropriate)  Printed Name
Date: 2/26/18
Part II. Credit Limit Certification

Instructions:
Each Person and/or Entity that answered "Yes" to Part 1 (b) must complete this form.

Name and role of Person or Entity completing this form: The ITEX Group, LLC

Which is:

- [ ] the Applicant (Entity that generally manages or controls the "Applicant," i.e. General Partner, Managing Partner, etc.)
- [X] a Special Limited Partner or Class B Limited Partner or equivalent of the Applicant
- [X] a Developer for the Applicant for this specific Application
- [ ] an Affiliate to the Applicant
- [ ] a Guarantor on the Application

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</tr>
<tr>
<td>Retreat West Beaumont</td>
<td>Urban</td>
<td>Beaumont</td>
<td>80.00%</td>
<td>90.00%</td>
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<tr>
<td>Fulton on the Rail</td>
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<td>Houston</td>
<td>55.20%</td>
<td>80.00%</td>
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Under penalty of perjury I certify that this information and these statements are true, complete, and accurate:

By: [Signature]                        The ITEX Group, LLC [Printed Name]
[2/24/19] [Date]
Part II. Credit Limit Certification

Instructions:
Each Person and/or Entity that answered "Yes" to Part 1 (b) must complete this form.

Name and role of Person or Entity completing this form: ITEX Development, LLC

Which is:

- ☐ the Applicant (Entity that generally manages or controls the "Applicant," i.e. General Partner, Managing Partner, etc.)
- ☐ a Special Limited Partner or Class B Limited Partner or equivalent of the Applicant
- ☑ a Developer for the Applicant for this specific Application
- ☐ an Affiliate to the Applicant
- ☐ a Guarantor on the Application

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Under penalty of perjury, I certify that this information and these statements are true, complete, and accurate:

By: ITEX Development, LLC

Signature of Applicant, Developer, Affiliate or Guarantor (as appropriate)  Printed Name  Date
Part II. Credit Limit Certification

Instructions:
Each Person and/or Entity that answered "Yes" to Part 1 (b) must complete this form.

Name and role of Person or Entity completing this form: The ITEX Group Management, LLC

Which is:  
- □ the Applicant (Entity that generally manages or controls the "Applicant," i.e. General Partner, Managing Partner, etc.)  
- [x] a Special Limited Partner or Class B Limited Partner or equivalent of the Applicant  
- [x] a Developer for the Applicant for this specific Application  
- □ an Affiliate to the Applicant  
- □ a Guarantor on the Application  

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Under penalty of perjury, I certify that this information and these statements are true, complete, and accurate:

By: [Signature of Applicant, Developer, Affiliate or Guarantor (as appropriate)]  
The ITEX Group Management, LLC  
Date: 2/26/19  
Printed Name
Part II. Credit Limit Certification

Instructions:
Each Person and/or Entity that answered "Yes" to Part 1 (b) must complete this form.

Name and role of Person or Entity completing this form: The Akbari Family Dynasty Trust, FBO Christopher Ali Akbari

Which is:
- [ ] the Applicant (Entity that generally manages or controls the "Applicant," i.e. General Partner, Managing Partner, etc.)
- [ ] a Special Limited Partner or Class B Limited Partner or equivalent of the Applicant
- [x] a Developer for the Applicant for this specific Application
- [ ] an Affiliate to the Applicant
- [ ] a Guarantor on the Application

Pursuant to §11.4(a) of the Qualified Allocation Plan, the Department shall not allocate more than $3 million of tax credits from the current Application Round to any Applicant, Developer, Affiliate or Guarantor. The undersigned represents to the Department that the following is a list of all developments for which the Applicant, the Developer, Affiliate, or Guarantor, has applied for an allocation of tax credit authority from the Department in the current Application Round.

<table>
<thead>
<tr>
<th>Development Name</th>
<th>Region</th>
<th>City</th>
<th>% Ownership</th>
<th>% of Dev. Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pines at Allen Street</td>
<td>Rural</td>
<td>Kountze</td>
<td>0.006%</td>
<td>45.50%</td>
</tr>
<tr>
<td>Retreat West Beaumont</td>
<td>Urban</td>
<td>Beaumont</td>
<td>56.00%</td>
<td>63.00%</td>
</tr>
<tr>
<td>Fulton on the Rail</td>
<td>Urban</td>
<td>Houston</td>
<td>38.64%</td>
<td>56.00%</td>
</tr>
</tbody>
</table>

I acknowledge that Donald R. Ball is authorized to terminate the Application in the event of a conflict with §11.4(a) of the Qualified Allocation Plan.

I hereby certify that the foregoing is a complete list of Developments with respect to which I am seeking a current allocation of tax credit authority from the Department. I certify that, if the Department makes a recommendation to the Board or issues a commitment which may cause Applications for which I am the Applicant, the Developer, Affiliate or Guarantor, to receive credits in excess of $3 million, I will notify the Department in writing within three business days of the recommendation or issuance of the Commitment.

I acknowledge that if the Department determines that an Applicant, Developer, Affiliate or Guarantor, has received (in the aggregate) allocations in the current Application Round from the Department exceeding $3 million, the Department must refuse to issue one or more Commitments or Carryover Allocations, or must terminate one or more Commitments or Carryover Allocations.

Under penalty of perjury, I certify that this information and these statements are true, complete, and accurate:

By: [Signature of Applicant, Developer, Affiliate or Guarantor (as appropriate)]

The Akbari Family Dynasty Trust, FBO Christopher Ali Akbari

Printed Name

Date

[2/20/19]
Part II. Credit Limit Certification

Instructions:
Each Person and/or Entity that answered "Yes" to Part 1 (b) must complete this form.

Name and role of Person or Entity completing this form: Christopher A. Akbari

Which is:  
☐ the Applicant (Entity that generally manages or controls the "Applicant," i.e. General Partner, Managing Partner, etc.)
☐ a Special Limited Partner or Class B Limited Partner or equivalent of the Applicant
☐ a Developer for the Applicant for this specific Application
☐ an Affiliate to the Applicant
☐ a Guarantor on the Application

Pursuant to §11.4(a) of the Qualified Allocation Plan, the Department shall not allocate more than $3 million of tax credits from the current Application Round to any Applicant, Developer, Affiliate or Guarantor. The undersigned represents to the Department that the following is a list of all developments for which the Applicant, the Developer, Affiliate, or Guarantor, has applied for an allocation of tax credit authority from the Department in the current Application Round.

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<tr>
<th>Development Name</th>
<th>Region</th>
<th>City</th>
<th>% Ownership</th>
<th>% of Dev. Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pines at Allen Street</td>
<td>Rural</td>
<td>Kountze</td>
<td>0.004%</td>
<td>19.50%</td>
</tr>
<tr>
<td>Retreat West Beaumont</td>
<td>Urban</td>
<td>Beaumont</td>
<td>44.00%</td>
<td>27.00%</td>
</tr>
<tr>
<td>Fulton on the Rail</td>
<td>Urban</td>
<td>Houston</td>
<td>30.36%</td>
<td>24.00%</td>
</tr>
</tbody>
</table>

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I hereby certify that the foregoing is a complete list of Developments with respect to which I am seeking a current allocation of tax credit authority from the Department. I certify that, if the Department makes a recommendation to the Board or issues a commitment which may cause Applications for which I am the Applicant, the Developer, Affiliate or Guarantor, to receive credits in excess of $3 million, I will notify the Department in writing within three business days of the recommendation or issuance of the Commitment.

I acknowledge that if the Department determines that an Applicant, Developer, Affiliate or Guarantor, has received (in the aggregate) allocations in the current Application Round from the Department exceeding $3 million, the Department must refuse to issue one or more Commitments or Carryover Allocations, or must terminate one or more Commitments or Carryover Allocations.

Under penalty of perjury, I certify that this information and these statements are true, complete, and accurate:

By: Christopher A. Akbari

Signature of Applicant, Developer, Affiliate or Guarantor (as appropriate)
### Community Input Scoring Items

**TDHCA#: 18283**

1. **Local Government Support - §11.9(d)(1)**
   - [X] 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)**
   - [X] 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)**
   - [X] Applicant has included one or more letters of support or opposition behind this tab.

List information for each of the letters below:

<table>
<thead>
<tr>
<th>A. Nutrition &amp; Services for Seniors</th>
<th>Support</th>
<th>Opposition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name of Community Organization</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Elaine Shellenberger</td>
<td>[X]</td>
<td></td>
</tr>
<tr>
<td>Contact Name</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>B. The Christian Loving Care Center, Inc. of the Greater Kountze Area</th>
<th>Support</th>
<th>Opposition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name of Community Organization</td>
<td>[X]</td>
<td></td>
</tr>
<tr>
<td>Bob Richardson</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contact Name</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>C. Southeast Texas Food Bank</th>
<th>Support</th>
<th>Opposition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name of Community Organization</td>
<td>[X]</td>
<td></td>
</tr>
<tr>
<td>Daniel Maher</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contact Name</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>D. Name of Community Organization</th>
<th>Support</th>
<th>Opposition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contact Name</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>E. Name of Community Organization</th>
<th>Support</th>
<th>Opposition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contact Name</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>F. Name of Community Organization</th>
<th>Support</th>
<th>Opposition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contact Name</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
KOUNTZE, TEXAS

RESOLUTION

A RESOLUTION OF THE CITY OF KOUNTZE, TEXAS: (A) EVIDENCING SUPPORT FOR A PROPOSED DEVELOPMENT TO BE BUILT IN KOUNTZE; (B) AUTHORIZING LOCAL POLITICAL SUBDIVISION FUNDING SUPPORT FOR THE DEVELOPMENT; AND (C) AUTHORIZING SUCH OTHER ACTIONS NECESSARY OR CONVENIENT TO CARRY OUT THIS RESOLUTION.

Whereas, Kountze Pines at Allen Street, LP, a to-be-formed Texas limited partnership (“Applicant”), has advised that it intends to apply to the Texas Department of Housing and Community Affairs (the “TDHCA”) for 2018 Housing Tax Credits to provide equity financing for proposed new construction rental apartments within the city limits of the City of Kountze (the “City”) consisting of up to approximately 80 units, of which up to approximately 80 units will be income and rent restricted rental housing; intended and operated for occupancy by the general population in accordance with Fair Housing requirements; such development to be called Pines at Allen Street (the “Development”), to be located within the City at the northeast quadrant of Allen Street and Tubb Street, Kountze, Hardin County, Texas, and to be owned by the Applicant; and

Whereas, Housing Tax Credits are competitively awarded, largely on the basis of points; and

Whereas, pursuant to Title 10, Rule 11.9(d)(1) of the Texas Administrative Code, the TDHCA will provide up to 17 points for a municipality’s resolution of support for a development which will be located in such municipality’s jurisdiction; and

Whereas, a municipality may also support an application to the TDHCA pursuant to Title 10, Rule 11.9(d)(2) of the Texas Administrative Code, by providing financial support for the development from a municipality, county or other instrumentality with jurisdiction over the proposed development through a loan, a grant, reduced fees or a contribution of other value for the benefit of the development, and such support will qualify the development for a point that will advance its application; and

Whereas, the City Council wishes to evidence its support for this proposed Development in the City of Kountze and to facilitate the possible award of 2018 Housing Tax Credits to the Development;

NOW, THEREFORE, IT IS HEREBY:

RESOLVED, that the City of Kountze, hereby supports the proposed Pines at Allen Street development, and confirms that its governing body has voted specifically to approve the construction of the Development and to authorize an allocation of Housing Tax Credits for the Development pursuant to Texas Government Code 2306.6703(a)(4); and
BE IT FURTHER RESOLVED, that the City of Kountze, acting through its governing body, hereby confirms that it is exclusively supporting in the TDHCA 2018 Competitive Tax Credit Application Cycle in the Rural Region 5 Funding Pool, the proposed Providence at Allen Street, a general population development to be located in the northeast quadrant of Allen Street and Tubb Street, Kountze, Hardin County, Texas with the TDHCA Application number of #18283 and that this formal action has been taken to put on record the opinion expressed by the City of Kountze; and

BE IT FURTHER RESOLVED, that for the purpose of supporting the Development and qualifying for points under Title 10, Rule 11.9(d)(1) of the Texas Administrative Code, the City of Kountze, Texas, acting through its governing body, hereby confirms that it supports the Pines at Allen Street development to be located at the northeast quadrant of Allen Street and Tubb Street, Kountze, Hardin County, Texas, and that this formal action has been taken to put on record the opinion expressed by the City on this date for the purpose of Title 10, Rule 11.9(d)(1) of the Texas Administrative Code; and

BE IT FURTHER RESOLVED, that for the purpose of Title 10, Rule 11.9(d)(2) of the Texas Administrative Code, the City Council hereby approves and authorizes the financial support of the Development in the amount of Two Hundred Fifty Dollars and Zero Cents ($250.00) in reduced fees for building permits and/or utility connection fees, in connection with the construction of the Development after the Development receives an award of Housing Tax Credits; and

BE IT FURTHER RESOLVED, the City Council hereby approves and authorizes the execution on behalf of the City of all other documents and writings whatsoever that may be necessary or convenient, in the reasonable opinion of either the City’s Mayor or the City’s Attorney, for carrying out these resolutions; and

BE IT FURTHER RESOLVED, that Fred E. Williams, Mayor, is hereby authorized, empowered, and directed to certify these resolutions to the TDHCA; and

BE IT FURTHER RESOLVED, that these resolutions shall be effective as of their date of passage by City Council.

Passed and Approved this 18th day of January, 2018

Fred E. Williams, Mayor
January 24, 2018

Kountze Pines at Allen Street, LP
Attn: Donald R. Ball
3735 Honeywood Court
Port Arthur, TX 77642

RE: Support for Ap. 18283, Pines at Allen Street at Northeast quadrant of Allen Street and Tubb Street, Kountze, TX

Dear Mr. Ball,

I received the Public Notification for Pines at Allen Street in Kountze, TX located in my House District 19. This project is greatly needed in this community which is mostly underserved.

I am pleased to lend my support to this development which will serve my constituents well.

Regards,

James White
State Representative
Texas House of Representatives
January 31, 2018

Kountze Pines at Allen Street, LP
Attn: Donald R. Ball
3735 Honeywood Court
Port Arthur, TX 77642

RE: Nonprofit Support Letter for Ap 18283, Pines at Allen Street at Northeast Quadrant of Allen Street and Tubb Street, Kountze, Texas

Dear Mr. Bell:

I am writing to you on behalf of Pines at Allen Street located at the northeast quadrant of Allen Street and Tubb Street, Kountze, Texas. This letter is to affirm our support of the application for 2018 9% Competitive Housing Tax Credits being requested through the Texas Department of Housing and Community Affairs.

Attached you will find evidence tax exemption status is still in good standing as well as our existence and participation in the community.

If any additional information is needed, please contact us at (409) 892-4455 or elaine@seniormeals.org.

Sincerely,

Elaine Shellenberger
President/CEO
4590 Concord Road
Beaumont, TX 77703
EIN 76-0074137

ES:bam
Elaine Ap18283
February 9, 2018

Donald R. Ball
Kountze Pines at Allen Street, LP
3735 Honeywood Court
Port Arthur, Texas 77742

Dear Mr. Ball,

I want to express my appreciation for you taking time to learn more about all the wonderful services Nutrition and Services for Seniors provides to our community. We are grateful for this opportunity to partner with Kountze Pines at Allen Street, LP in our efforts to afford seniors and disabled adults in Southeast Texas support services that enable them to remain in their homes, independent and confident in the knowledge that they are not alone and that someone cares.

Nutrition & Services for Seniors, a 501(c)(3) non-profit entity established in 1983, was organized by a group of citizens concerned for the welfare of seniors in their community. For 34 years Nutrition & Services for Seniors has provided vital life-sustaining services to seniors and disabled adults in Jefferson and Hardin counties (including the Kountze area). Through home-delivered meals, congregate meals, transportation, emergency medical response programs, nutritional supplements and pantry items, we touch thousands of hearts in our community who are alone, frail and in need. With a network of over 200 volunteers, corporate sponsors such as Valero, ExxonMobil, Entergy and many others, our staff brings food and friendship to a population that is often overlooked, neglected and simply forgotten. We hope to add Kountze Pines at Allen Street, LP to our family of supporters that help us as we continue in our mission to Deliver the Difference to the seniors in Southeast Texas.

Sincerely,

Elaine Shellenger
President/CEO
NUTRITION AND SERVICES FOR SENIORS
4590 CONCORD RD
BEAUMONT, TX 77703-1806

According to the records of the Comptroller of Public Accounts, the following exemption(s) from Texas taxes apply to the above organization(s):

   Franchise tax, as of 07-12-1983
   Sales and use tax, as of 11-22-1983
   (provide Texas sales and use tax exemption certificate Form 01-339 (Back) to vendor)
   The entity is not exempt from hotel occupancy tax.

Texas taxpayer identification number: 17600741379

This exemption verification is not a substitute for the completed exemption certificates that are required when claiming exemption from Texas taxes. Vendors should be familiar with the requirements for accepting the certificates in good faith from their customers.

This exemption verification does not mean that the organization holds a permit for collecting or remitting any Texas taxes.

Exempt organizations must collect tax on most sales. For more information, please see our publication Exempt Organizations: Sales and Purchases (96-122). Online registration is available.

For information concerning sales taxpayer permit status, please use the vendor search we provide online.

Corporations that are registered in Texas with the Secretary of State must maintain a current registered agent and registered office address. Information is available from Business and Nonprofit Forms page of the Secretary of State's Website. Additionally, out-of-state corporations, limited liability companies, or limited partnerships transacting business in Texas may need to file a Certificate of Authority or Registration with the Texas Secretary of State. More information is available from the Foreign or Out-of-State Entities page on the Secretary of State's Website.

Our publications and other helpful information are available on our website. If you need more information, write to us at exempt.orgs@cpa.texas.gov, or call us at (800) 252-5555.
The following list includes tax-exempt organizations that are eligible to receive tax-deductible charitable contributions. Click on the "Deductibility Status" column for an explanation of limitations on the deductibility of contributions made to different types of tax-exempt organizations.

Results are sorted by EIN. To sort results by another category, click on the icon next to the column heading for that category. Clicking on that icon a second time will reverse the sort order. Click on a column heading for an explanation of information in that column.

<table>
<thead>
<tr>
<th>EIN</th>
<th>Legal Name (Doing Business As)</th>
<th>City</th>
<th>State</th>
<th>Country</th>
<th>Deductibility Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>76-0074137</td>
<td>Nutrition and Services for Seniors</td>
<td>Beaumont</td>
<td>TX</td>
<td>United States</td>
<td>PC</td>
</tr>
</tbody>
</table>

[Return to Search](https://apps.irs.gov/app/eos/pub78Search.do?ein1=760074137&names=&city=&state=All…2/19/2018)
Dear Sir or Madam:

This letter is in response to your request for a copy of your organization's determination letter. This letter will take the place of the copy you requested.

Our records indicate that a determination letter issued in September 1984 granted your organization exemption from federal income tax under section 501(c)(3) of the Internal Revenue Code. That letter is still in effect.

Based on information subsequently submitted, we classified your organization as one that is not a private foundation within the meaning of section 509(a) of the Code because it is an organization described in sections 509(a)(1) and 170(b)(1)(A)(vi).

This classification was based on the assumption that your organization's operations would continue as stated in the application. If your organization's sources of support, or its character, method of operations, or purposes have changed, please let us know so we can consider the effect of the change on the exempt status and foundation status of your organization.

Your organization is required to file Form 990, Return of Organization Exempt from Income Tax, only if its gross receipts each year are normally more than $25,000. If a return is required, it must be filed by the 15th day of the fifth month after the end of the organization's annual accounting period. The law imposes a penalty of $20 a day, up to a maximum of $10,000, when a return is filed late, unless there is reasonable cause for the delay.

All exempt organizations (unless specifically excluded) are liable for taxes under the Federal Insurance Contributions Act (social security taxes) on remuneration of $100 or more paid to each employee during a calendar year. Your organization is not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Organizations that are not private foundations are not subject to the excise taxes under Chapter 42 of the Code. However, these organizations are not automatically exempt from other federal excise taxes.

Donors may deduct contributions to your organization as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to your organization or for its use are deductible for federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.
Your organization is not required to file federal income tax returns unless it is subject to the tax on unrelated business income under section 511 of the Code. If your organization is subject to this tax, it must file an income tax return on the Form 990-T, Exempt Organization Business Income Tax Return. In this letter, we are not determining whether any of your organization's present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

The law requires you to make your organization's annual return available for public inspection without charge for three years after the due date of the return. If your organization had a copy of its application for recognition of exemption on July 15, 1987, it is also required to make available for public inspection a copy of the exemption application, any supporting documents and the exemption letter to any individual who requests such documents in person or in writing. You can charge only a reasonable fee for reproduction and actual postage costs for the copied materials. The law does not require you to provide copies of public inspection documents that are widely available, such as by posting them on the Internet (World Wide Web). You may be liable for a penalty of $20 a day for each day you do not make these documents available for public inspection (up to a maximum of $10,000 in the case of an annual return).

Because this letter could help resolve any questions about your organization's exempt status and foundation status, you should keep it with the organization's permanent records.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

This letter affirms your organization's exempt status.

Sincerely,

John E. Ricketts, Director, TE/GE
Customer Account Services
OUR MISSION

Nutrition & Services for Seniors is a non-profit agency dedicated to providing innovative, effective programs that assist older adults in leading quality lives while maintaining dignity and independence.

In 1983, a group of civic-minded residents, concerned for the well being of seniors in our community, set upon a path to expand services to local seniors. By providing congregate meals, home delivered meals, transportation, nutrition education and information and referrals we give seniors the opportunity to remain independent in their own homes. We believe that Senior Dining Sites and Nutrition Programs such as ours can be much more than the first step in providing long term care for the seniors in Jefferson and Hardin counties. In addition to providing meals, a network of volunteers and staff monitor the well being of our recipients during a daily visit. That visit provides comfort and company to the seniors and peace of mind to their family and caregivers. Please help us in our efforts to aid the seniors in our community.
SPECIAL EVENTS

Join us for one of our upcoming events to help the seniors in our community.

Upcoming Events:

Wednesday, March 21, 2018 | Real Food Feast
Thursday, May 3, 2018 | 7th Annual Deliver the Difference Luncheon
All of our programs are targeted to increase a senior’s independence and reduce the isolation old age can bring.

Meals on Wheels
- Jefferson & Hardin County Prepared Meal Service For Seniors & Disabled Adults

Congregate Dining
- Enjoy Lunch With Friends At One Of Our 17 Dining Locations Within Jefferson & Hardin Counties

Transportation
- Ensuring Clients Have Access To Vital Life Sustaining Services

CareNet
- A Life Saving Link For Independent Living

AniMeals
- Offering Meals On Wheels For Pets Of Our Homebound Neighbors

'Grow to Share' Garden

- Fresh Fruits & Vegetables For Our Homebound Clients
February 22, 2018

Kountze Pines at Allen Street, LP
Attn: Donald R. Ball
3735 Honeywood Court
Port Arthur, Texas 77642

Re: Non-profit support Letter for Ap. 18283, Pines as Allen Street at northeast quadrant of Allen Street and Tubb Street, Kountze, Texas

Dear Mr. Ball,

I am writing to you on behalf of Pines at Allen Street located at the northeast quadrant of Allen Street and Tubb Street, Kountze, Texas. This letter is to affirm our support of the application for 2018 (9%) Competitive Housing Tax Credits being requested through the Texas Department of Housing and Community Affairs.

Attached you will find evidence of that our tax exemption status is still in good standing as well as our existence and participation in the community.

If any additional information is needed, please contact us at (409) 246-4466 and/or email at clcc325@gmail.com.

Sincerely,

Bob Richardson, CPA
Assistant Director
According to the records of the Comptroller of Public Accounts, the following exemption(s) from Texas taxes apply to the above organization(s):

- Franchise tax, as of 08-06-1987
- Sales and use tax, as of 12-16-1987
  (provide Texas sales and use tax exemption certificate Form 01-339 (Back) to vendor)
- The entity is not exempt from hotel occupancy tax.

Texas taxpayer identification number: 17602275202

This exemption verification is not a substitute for the completed exemption certificates that are required when claiming exemption from Texas taxes. Vendors should be familiar with the requirements for accepting the certificates in good faith from their customers.

This exemption verification does not mean that the organization holds a permit for collecting or remitting any Texas taxes.

Exempt organizations must collect tax on most sales. For more information, please see our publication Exempt Organizations: Sales and Purchases (96-122). Online registration is available.

For information concerning sales taxpayer permit status, please use the vendor search we provide online.

Corporations that are registered in Texas with the Secretary of State must maintain a current registered agent and registered office address. Information is available from Business and Nonprofit Forms page of the Secretary of State's Website. Additionally, out-of-state corporations, limited liability companies, or limited partnerships transacting business in Texas may need to file a Certificate of Authority or Registration with the Texas Secretary of State. More information is available from the Foreign or Out-of-State Entities page on the Secretary of State's Website.

Our publications and other helpful information are available on our website. If you need more information, write to us at exempt.orgs@cpa.texas.gov, or call us at (800) 252-5555.
December 16, 1987

Mr. Fred C. Kimmey, Jr.
P.O. Box 1328
Kountze, Texas 77625

Dear Mr. Kimmey:

We have determined that Christian Loving Care Center, Inc. of the Greater Kountze Area, Taxpayer No. 1-76-0227620-2, qualifies for exemption from state franchise tax and state sales tax. In the event that we have reason to believe that your corporation no longer qualifies for the exemptions, we will notify your registered agent that the exempt status is under review. Your franchise tax exemption as a 501(c)(3) organization is effective August 6, 1987.

Your corporation qualifies for sales tax exemption effective the date of this letter as a 501(c)(3) organization. You may now issue an exemption certificate in lieu of the sales tax on taxable items purchased if the items relate to the purpose of the exempt organization and are not used for the personal benefit of a private stockholder or individual. The certificate does not require a number to be valid and may be reproduced in any quantity.

If your organization changes its name or address, you are required to notify us.

If we can be of further assistance, please write to us or call toll free from anywhere in Texas at 1-800-252-5555. Our regular number is 512/463-4600.

Sincerely,

Harry F. Rogers
Exempt Organizations

HFR:SM74/mav/545
August 02, 2013

Mary F. Richardson
325 W. Crocker St., PO Box 1328
Kountze, TX 77625

RE: THE CHRISTIAN LOVING CARE CENTER, INC. OF THE GREATER KOUNTZE AREA
File Number: 105700201

It has been our pleasure to file the Nonprofit Periodic Report for the referenced entity. Enclosed is the certificate evidencing filing. Payment of the filing fee is acknowledged by this letter.

If we may be of further service at any time, please let us know.

Sincerely,

Corporations Section
Business & Public Filings Division
(512) 475-2705

Enclosure
NOTICE

TO GET UTILITIES
OR
MEDICAL

ALL CLIENTS MUST BRING COPIES OF THEIR ANNUAL AWARD LETTER FROM SOCIAL SECURITY ADMINISTRATION AND SNAP (FOOD STAMPS)

SERVICES WILL NOT BE GIVEN UNTIL THESE ITEMS ARE PRESENTED.

ROY LANGSTON MARY F RICHARDSON
PRESIDENT Executive Director
Thirty years ago today -the need was lifted up...churches of the Kountze area accepted the challenge...volunteers came forth to help and the center opened its doors 10-5-1987.
Christian Loving Care Center Of Greater Kountze Area

Thank you all for your hard work and support of The Christian Loving Care Center with the food drives.

Write a comment...
STORY

Organized in 1987 as an interfaith mission with twelve area churches. Our mission is to provide help to anyone who qualifies. We are open to the public Monday and Thursday 9 a.m. to 1 p.m. We are staffed by volunteers who have graciously donated their time to help the community of Hardin County. In 2015 we provided help to 1,252 families.
February 26, 2018

Kountze Pines at Allen Street, LP
Attn: Donald R. Ball
3735 Honeywood Court
Port Arthur, TX 77642

Re: Non-Profit Support Letter for Ap 18283, Pines at Allen Street at northeast quadrant of Allen Street and Tubb Street, Kountze, Texas

Dear Mr. Ball,

I am writing to you on behalf of Pines at Allen Street located at the northeast quadrant of Allen Street and Tubb Street, Kountze, Texas. This letter is to affirm our support of the application for 2018 9% Competitive Housing Tax Credits being requested through the Texas Department of Housing and Community Affairs.

Attached you will find evidence that our tax exemption status is still in good standing. I can also affirm that we are active in providing social services such as food distribution, food stamp enrollment, nutrition education, and senior nutrition services that fulfill our mission and support populations like that to be served by the Pines at Allen Street project.

If any additional information is needed, please feel free to contact me at 409-839-8777 or dmaher@setxfoodbank.org. Best wishes for your project’s completion.

Sincerely,

Danel J. Maher
Executive Director

Southeast Texas Food Bank
P.O. Box 21012
Beaumont, TX 77720
Dear SOUTHEAST TEXAS FOOD BANK:

This is in response to your Oct. 06, 2014, request for information regarding your tax-exempt status.

Our records indicate that you were recognized as exempt under section 501(c)(3) of the Internal Revenue Code in a determination letter issued in AUGUST, 1991.

Our records also indicate that you are not a private foundation within the meaning of section 509(a) of the Code because you are described in section(s) 509(a)(1) and 170(b)(1)(A)(vi).

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 sections 2055, 2106, and 2522 of the Code.

Please refer to our website www.irs.gov/eo for information regarding filing requirements. Specifically, section 6033(j) of the Code provides that failure to file an annual information return for three consecutive years results in revocation of tax-exempt status as of the filing due date of the third return for organizations required to file. We will publish a list of organizations whose tax-exempt status was revoked under section 6033(j) of the Code on our website beginning in early 2011.
If you have any questions, please call us at the telephone number shown in the heading of this letter.

Sincerely yours,

[Signature]

Kim D. Bailey
Operations Manager, AM Operations 3
SOUTHEAST TEXAS FOOD BANK, INC.
PO BOX 21012
BEAUMONT, TX 77720-1012

According to the records of the Comptroller of Public Accounts, the following exemption(s) from Texas taxes apply to the above organization(s):

- Franchise tax, as of 06-10-1991
- Sales and use tax, as of 04-29-1992
  (provide Texas sales and use tax exemption certificate Form 01-339 (Back) to vendor)
- The entity is not exempt from hotel occupancy tax.

Texas taxpayer identification number: 17603387212

This exemption verification is not a substitute for the completed exemption certificates that are required when claiming exemption from Texas taxes. Vendors should be familiar with the requirements for accepting the certificates in good faith from their customers.

This exemption verification does not mean that the organization holds a permit for collecting or remitting any Texas taxes.

Exempt organizations must collect tax on most sales. For more information, please see our publication Exempt Organizations: Sales and Purchases (96-122). Online registration is available.

For information concerning sales taxpayer permit status, please use the vendor search we provide online.

Corporations that are registered in Texas with the Secretary of State must maintain a current registered agent and registered office address. Information is available from Business and Nonprofit Forms page of the Secretary of State's Website. Additionally, out-of-state corporations, limited liability companies, or limited partnerships transacting business in Texas may need to file a Certificate of Authority or Registration with the Texas Secretary of State. More information is available from the Foreign or Out-of-State Entities page on the Secretary of State's Website.

Our publications and other helpful information are available on our website. If you need more information, write to us at exempt.orgs@cpa.texas.gov, or call us at (800) 252-5555.
Help make the holidays healthier and happier for our neighbors in need

This year, many more of our neighbors will be struggling through the holidays as they pick up the pieces from the effects of Hurricane Harvey. As we ensure their most basic needs of food and water are met, we know that providing special meal items to help families celebrate the holidays together can be so meaningful.

Along with providing their usual staples, many of our 110 partner agencies also put together holiday boxes with food from the Southeast Texas Food Bank. Orange Christian Services is one of our partners who distributes 800 Christmas meal boxes.

“What we can take for granted, so many of our neighbors in this area can’t,” says Judy Jensen, Executive Director of Orange Christian Services. “People can’t imagine what their donation is going to do for these men, women and children. Judy says a simple gift makes a huge difference. “It’s a win/win. You will be blessed for the giving and the people will be blessed for the receiving,” she says.

For every $1 you give to the Southeast Texas Food Bank, we can provide 3 meals. Imagine how far your gift will go to ease the burden of a family who has lost so much. Please give today by donating online at setxfoodbank.org or returning the enclosed reply slip. Your generosity matters—thank you!

#GIVINGTUESDAY
On Tuesday, November 28, start the season of giving with #GivingTuesday by filling the plates of your neighbors in need. You’ll also get your year-end tax donation when you go online to donate to the Southeast Texas Food Bank at setxfoodbank.org. Don’t forget to spread the word on Facebook and Twitter!

Share Your Christmas
Organize a food and fund drive at your workplace, church, school or community organization to help make the holidays happier for our neighbors in need. Together we hope to raise $40,000 and provide 60,000 pounds of food to help struggling families this holiday season. Your group might be among those featured on KBMT Channel 12, our media sponsor. Participating businesses also have a chance to win free advertising for their company. For tips on how to organize your group, or to sign up and download the participation form visit setxfoodbank.org and click on the Get Involved tab. You can also call 409-839-8777 or 844-356-9084.

Stay connected to the work you support

#GIVINGTUESDAY

Your support helped me have a holiday meal with my family

My name is James and I just want to say thank you. I’m living on a fixed income and getting a few groceries helps a whole lot.

I grew up in this area. When I was 23 I became a merchant marine and worked on ships as a cook. We were a tanker crew transporting gas from one place to another. We used to run from Texas up to New York or Boston. I got to see the world and it paid well.

Then, at 55, I retired.

I’ve had a few health problems since then— I had a heart attack and triple bypass surgery. I couldn’t walk for a while, but thank God I’m still here. When you get old, everything seems to fall apart.

Paying my doctors’ bills sure takes a bite out of my income. By the time I pay all my bills, I don’t end up with much to survive on. Being able to come to this food pantry really helps. I’m not a picky eater, and I cook everything they give me. As long as I have something in my stomach, I’m happy.

“Doing the best with what I have”

Just before Thanksgiving I come down to the food pantry

I get a turkey. That helps out a lot. I make good rice stuffing with celery and bell pepper. Then I make giblet gravy to go over everything. My sister comes and shares the Thanksgiving meal with me. It lasts me a long time.

If I could meet a Food Bank donor, I would tell them thank you very much because you help me out a whole lot. I’m doing the best I can with what I’ve got, and coming to this food pantry really helps.

James lives in Port Arthur, an area deeply affected by Hurricane Harvey.

In the aftermath your support of the Southeast Texas Food Bank brought immediate assistance to communities like his. Mobilizing all our resources we were able to distribute approximately 1.5 million pounds of food and water within the first two weeks of our response. Read more about the way your support helps us respond to crisis on page 2.

MY HOLIDAY GIFT

YES, Dan, I want to help provide nutritious food for our neighbors in need during this holiday season.

Enclosed is my gift:
☐ $22 to help provide 66 meals and care
☐ $33 to help provide 99 meals and care
☐ $55 to help provide 165 meals and care
☐ $ ______ monthly commitment to reach out to the needy in Southeast Texas
☐ $ ______ to provide as many meals and as much care as possible

NAME

ADDRESS

CITY STATE ZIP

IT’S EASY! Give online at setxfoodbank.org

South East Texas Food Bank

GIVINGwords from Dan

DAN MAKER EXECUTIVE DIRECTOR
SOUTHEAST TEXAS FOOD BANK
PO BOX 21012, BEAUMONT, TX 77720-1012

YOUR DONATION IS TAX DEDUCTIBLE AS PERMITTED BY LAW. THE SOUTHEAST TEXAS FOOD BANK WILL SEND YOU A RECEIPT IN APPRECIATION FOR YOUR KINDNESS TO INDIVIDUALS AND FAMILIES WHO RELY ON US FOR FOOD.

YOUR GIFTS CHANGE LIVES!

Inside the Food Bank Connection

MAKING THE HOLIDAYS HAPPIER

2 Encouraging words from Dan

3 A rewarding summer internship

4 Making the holidays happier
Encouraging words from Dan

In Southeast Texas the holidays are going to be a little different this year. We’ve all seen and experienced the devastation from Hurricane Harvey. For families who had so little and lost so much, it’s a toll that will take months or even years to recover from.

In the immediate aftermath of the storm, the Southeast Texas Food Bank responded quickly to the food and water crisis. We opened our warehouse doors for nine days of on-site distribution. To reach communities like Port Arthur, we loaded up our mobile pantry, bringing daily distributions of water, food, even cleaning supplies and baby products. We’re continuing to ensure our distribution reaches those hardest hit in our communities.

We are so grateful for the compassion of this community and our nation. You rallied to help your neighbors as soon as you could give yourself. You supported water distribution and were quick to volunteer. The national outpouring of support let us know we weren’t in this alone. And to those of you who have given so faithfully to the Southeast Texas Food Bank over the years, our readiness to effectively respond to this crisis was possible because of your investments.

This storm will forever mark 2017 for our community. And while we may not be able to enjoy all the traditions of the holidays this year, the true spirit of the holidays—neighborliness—has been shining brightly since September. Thank you for your generosity as we continue to help our neighbors who are on the long road to recovery.

With gratitude,

Dan Maher, Executive Director

The food I receive here helps me take care of others

My name is Yolanda and I’ve had to come to the food pantry regularly since I had major back surgery a few years ago.

Before my surgery, I worked at a charter school and I had the finances I needed to take care of myself. Now I’m working at an after-school daycare program. I’m also raising a little girl on my own—someone I took in for a friend. I’ve had her since birth, and making sure I can help her with homework and make meals for her is important to me. I’d like to have a job where she didn’t have to go to daycare after school. Finding a job that pays enough and allows me to be around for her is my goal.

I appreciate your generosity.

The people here at the food pantry are so sweet and I thank God I found them. When you’re living paycheck to paycheck like I am, coming here means I can stretch my income. A few years back we even got a Thanksgiving meal from the pantry. That was awesome, because it was a year we were really in need of that help!

My dad has been a big support for us. When I had my surgeries he took care of both of us. We live on our own now. I’m his only daughter, and I’m trying to get back on my feet financially, because someday, he’ll need me to take care of him.

There have been times in my life I was able to donate to organizations like this, but now, I need the help. So I don’t take it lightly that you’re able and willing to help. Thank you. I hope you know how much we appreciate you.

Yolanda remembers what a Thanksgiving meal box meant to her family a few years ago.

Volunteer Spotlight

The rewarding work of helping others

For Manasseh Miles, a Health Sciences major at Lamar University and a linebacker for their football team, interning at the Southeast Texas Food Bank wasn’t out of his comfort zone. “I’m a servant at heart. I’ve already been through things in my life that have brought me a desire to strengthen those that may be going through something,” says Manasseh, whose own family was helped through a local pantry.

Manasseh has been impressed with the broad reach of the Food Bank—from the nutrition programs to the food distribution process. “When people think of a Food Bank, they think of a place people come to get food when they need assistance,” says Manasseh. “How many different programs they have, how many people they help—it’s more than just handing out food.”

The need is real

As an athlete, Manasseh spends a lot of time understanding the relationship of food to his physical ability, so studying to be a dietician was a natural fit. Manasseh particularly enjoyed interacting with children at a Boys and Girls club during nutrition lessons. He also enjoyed being part of our produce drops.

“What I’ve seen is just the demand that’s out there of people in need,” says Manasseh. “Being able to see the process when the food comes in on the truck, seeing it go out to the pantry and then seeing the little kids with their parents and how happy they get when they receive the food—there’s so much that this Food Bank does.”

“Manasseh”
With numbers so high, it is our duty to fight against the crippling effects of chronic hunger.

**Mission Statement**

Leading The Fight Against Hunger in Southeast Texas.

**Vision Statement**

To eliminate hunger and inadequate nutrition in Southeast Texas.

**We’re Making An Impact**

You may be surprised to know that about 12,000 households receive food each month from member agencies of the Southeast Texas Food Bank. We serve the counties of Jefferson, Orange, Hardin, Jasper, Newton, Polk, Sabine, and Tyler. We distribute to approximately 130 nonprofit agencies within these eight counties. Our partner agencies preparing meals provide approximately 90,000 meals to people in need each month. Although our efforts are paying off, your continued support is vital to our ongoing struggle. Thank you for supporting the Southeast Texas Food Bank.
### Required Third Party Reports

Be advised that all third party reports will be posted on the Department's website along with the Application.

#### 1. Environmental Site Assessment (ESA) (All Multifamily Applications)

| Prepared by:    | Phase Engineering | Date of Report: | 2/19/2018 |

☑️ 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:    | Valbridge Property Advisors | Date of Report: | 2/22/2018 |

#### 4. Property Condition Assessment (PCA)

| Prepared by:    | N/A | Date of Report: |

#### 5. Appraisal

| Prepared by:    | N/A | Date of Report: |

#### 6. Site Design and Development Feasibility Report

| Prepared by:    | Soutex | Date of Report: | 2/22/2018 |
Development Owner Statement Regarding Compliance with Recommendations of the Phase I Environmental Site Assessment

Kountze Pines at Allen Street, LP will comply with all recommendations stated in the Phase I Environmental Site Assessment prior to closing.

Kountze Pines at Allen Street, LP

By: Donald R. Ball 2-19-2018

Name: Donald R. Ball
Title: Executive Director of Sole Member of General Partner
# MARKET ANALYSIS SUMMARY

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<th>Provider:</th>
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<tr>
<td>Contact:</td>
<td>Tim N. Treadway</td>
<td>Phone:</td>
<td>713.467.5858</td>
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<td>Development:</td>
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<td>Site Location:</td>
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<td>Primary Market Area (PMA) page</td>
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## CENSUS TRACTS

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Multifamily Finance Division staff will place scanned copies of deficiency documents behind this tab in the application .pdf
Good morning, Liz.

The City of Kountze annexed the property on January 18, 2018, prior to the adoption of the resolution committing funding to Pines at Allen Street. Please see attached resolution confirming annexation. Please let me know if you need any further information.

Thank you,

Audrey Martin
Purple Martin Real Estate
(512) 658-6386
audrey@purplemartinre.com

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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. Local Government Support: Please explain how the application is eligible for maximum points under §11.9(d)(1). The proposed Development Site appears to be located in the ETJ of the City.

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 April 16, 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.
Liz Cline-Rew  
Multifamily Finance Housing Specialist  
Texas Department of Housing and Community Affairs  
221 E. 11th Street | Austin, TX 78701  
Office: 512.475.3227  
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)).
ORDINANCE NO. #18-02

AN ORDINANCE PROVIDING FOR THE VOLUNTARY ANNEXATION OF THE HEREINAFTER DESCRIBED TERRITORY INTO THE CITY OF KOUNTZE, TEXAS, FOR ALL MUNICIPAL PURPOSES; APPROVING PROVIDING MUNICIPAL SERVICES FOR SUCH TERRITORY; PROVIDING THAT THIS ORDINANCE SHALL BE CUMULATIVE OF ALL ORDINANCES; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Kountze is a type a general law municipality; and

WHEREAS, a petition for voluntary annexation has been duly signed and acknowledged by each person or entity having an interest in the territory proposes for annexation, and such petition which is attached hereto as Exhibit A has been accepted by the City; and

WHEREAS, said tract of land is contiguous to the City, and is within the exclusive extraterritorial jurisdiction of the City; and

WHEREAS, the City has the ability to provide municipal services for the territory; and

WHEREAS, the City has published a notice of hearing on said annexation and a public hearing was held before the City Council on January 16, 2018, in accordance with Chapter 43.028, Texas Government Code; and

WHEREAS, after such public hearing the City Council granted the petition and desires to annex said territory into the City under the authority of Section 43.028 of the Local Government Code; and

WHEREAS, all requirements of law have been met to require this annexation in compliance with Chapter 43 of the Texas Government Code.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF KOUNTZE, TEXAS:

Section 1.

That the territory hereinafter described is hereby annexed into the City for all municipal purposes, and that the boundary limits of the City are hereby extended to include said territory within the City limits, and said land and the future inhabitants thereof shall hereafter be entitled to all rights and privileges of other citizens of the City and shall be bound by the acts and ordinances of said City:

Property (including any improvements):

Being a tract or parcel containing 12.62 acres of land out of and a part of the John A. Christie Survey, Abstract Number 544, Hardin County, Texas, and also being out of and a part of a 497.27 acre tract recorded in Clerk File Number 2015-52296, Official Public Records of Hardin County, Texas, said 12.62 acre tract being more particularly described by metes and bounds: (See Attached)

Section 2.

The official map and boundaries of the City, previously adopted, are amended to include the above described territory as a party of the City of Kountze, Texas. The City Secretary is directed and
authorized to perform or cause to be performed all acts necessary to correct the official map of the City to add the territory annexed as required by law.

Section 3.

That the City has made the finding that it can provide municipal services to the annexed territory.

Section 4.

That the City Secretary is hereby directed to file with the County Clerk and other appropriate officials and agencies, as required by state and federal law and city annexation procedures, a certified copy of this ordinance.

Section 5.

This ordinance shall be cumulative of all provisions of ordinances of the City of Kountze, Texas, except where the provisions of this ordinance are in direct conflict with the provisions of such ordinances, in which event the conflicting provisions of such ordinances are hereby repealed.

Section 6.

Should any section or part of this ordinance be held unconstitutional, illegal or invalid, or the application thereof, the unconstitutionality, illegality, invalidity or ineffectiveness of such section or part shall in no way affect, impair or invalidate the remaining portion or portions thereof, but as to such remaining portions, the same shall be and remain in full force and effect.

Section 7.

Should this ordinance for any reason be ineffective as to any part of the area hereby annexed to the City of Bridgeport, such ineffectiveness of this ordinance as to any such part or parts of any such area shall not affect the effectiveness of this ordinance as to the remainder of such area. The City Council hereby declares it to be its purpose to annex to the City of Kountze every part of the area described in Section 1 of this ordinance, regardless of whether any part of such described area is hereby not effectively annexed to the City. Provided, further, that if there is included within the general description of territory set out in Section 1 of this ordinance to be hereby annexed to the City of Kountze any lands or area which are presently part of and included within the limits of the City of Kountze, or which are presently part of and included within the limits of any other City, Town or Village, or which are not within the City of Bridgeport's jurisdiction to annex, the same is hereby excluded and excepted from the territory to be annexed hereby as fully as if such excluded and excepted area were expressly described herein.

Section 8.

This ordinance shall be in full force and effect from and after its passage, and its so ordained.
DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF KOUNTZE, TEXAS, BY A VOTE OF 4 TO 0, ON THIS THE 18TH DAY OF JANUARY, 2018.

APPROVED:

[Signature]

Mayor

ATTEST:

[Signature]

City Secretary
State of Texas  
County of Hardin

This instrument was acknowledged before me on 1/18/18 by Kim Haynes and Fred E. Williams.

Personally Known  
Produced Identification
Type and # of ID __________________________

Given under my hand and seal of office this 18 day of January, 2018.

Sallie Gordon
Notary Public, State of Texas
METES AND BOUNDS DESCRIPTION
12.62 ACRE TRACT
JOHN A. CHRISTIE SURVEY
ABSTRACT NUMBER 544
HARDIN COUNTY, TEXAS

Being a tract or parcel containing 12.62 acres of land out of and a part of the John A. Christie Survey, Abstract Number 544, Hardin County, Texas, and also being out of and a part of a 497.27 acre tract recorded in Clerk File Number 2015-52296, Official Public Records of Hardin County, Texas, said 12.62 acre tract being more particularly described by metes and bounds as follows:

BEGINNING at a concrete monument found in the most Westerly North line of the H. T. & B. R.R. Survey, Abstract Number 289 and also being the South line of said John A. Christie Survey and being the Southeast corner of a 7.00 acre tract recorded in Volume 529, Page 309, Deed Records of Hardin County, Texas and being in the North right-of-way line of a public road known as Allen Street, said concrete monument having a State Plane Coordinate value of Y=10,158,261.68 and X=4,187,994.01;

THENCE, North 03 deg. 18 min. 30 sec. West, along the East line of said 7.00 acre tract for a distance of 441.05 feet to a concrete monument found for corner;

THENCE, North 44 deg. 27 min. 58 sec. West, along the East line of said 7.00 acre tract for a distance of 332.42 feet to a concrete monument found for corner;

THENCE, North 45 deg. 27 min. 11 sec. East, along the residue of said 497.27 acre tract for a distance of 154.86 feet to a ½-inch iron rod capped RPLS 2512 set for corner;

THENCE, North 86 deg. 22 min. 05 sec. East, along the residue of said 497.27 acre tract for a distance of 738.14 feet to a ½-inch iron rod capped RPLS 2512 set for corner;

THENCE, South 03 deg. 17 min. 34 sec. East, along the residue of said 497.27 acre tract for a distance of 797.75 feet to a ½-inch iron rod capped RPLS 2512 set in the North right-of-way line of said Allen Street;

THENCE, South 86 deg. 42 min. 26 sec. West, along the North right-of-way line of said Allen Street for a distance of 635.59 feet to the POINT OF BEGINNING and containing 12.62 acres of land.

Note: Bearings, distances and coordinates referenced to the Texas State Plane Coordinate System, Central Zone (4203), NAD 83. Grid scale factor: 0.999909022.

18-001
01/02/18

[Signature]
BEVERLY WILLIFORD
MY COMMISSION EXPIRES
September 11, 2018
PETITION
TO THE CITY OF KOUNTZE
FOR ANNEXATION OF PROPERTY

I, David Smallwood, president of S&M Affiliated Incorporated, do hereby petition the City of Kountze, Pursuant to Local Government Code 43.0671, to annex my parcel of land, 12.62 acres located on Allen Street in Kountze.

Please review the notorized, attached, drawing with metes and bounds of said property, per statute.

Thank you,

David Smallwood
President
S&M Affiliated, Inc.
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 Pines at Allen Street, TDHCA Number: 18283

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 four 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(e)(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.
**Page 2 of Final Scoring Notice: 18283, Pines at Allen Street**

**Section 1:**

Score Requested by Applicant (Not including points for §11.9(c)(8) or (d)(1), (4), (5), (6) or (7) of the 2018 QAP): 113

Score Awarded by TDHCA (Not including points for §11.9(c)(8) or (d)(1), (4), (5), (6) or (7) of the 2018 QAP): 113

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: | 0 |

**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):** 151

**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 10:00 a.m. Austin local time, Thursday, April 26, 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 mailto: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
May 1, 2018

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

Via Email: tim.irvine@tdhca.state.tx.us

Re: TDHCA Application #18283 – Pines at Allen Street in Kountze, TX

Dear Mr. Irvine,

We are formally challenging the Applicant’s score under 10 TAC §11.9(c)(6) – Tenant Populations with Special Housing Needs for the above-referenced application in accordance with §11.10 – Third Party Request for Administrative Deficiency (“RFAD”). A fee of Five Hundred Dollars ($500.00) for the filing of this RFAD will be delivered to the Department, as required by the rules, prior to the stated deadline.

The Applicant has requested two (2) points in the Tenant Populations with Special Housing Needs category. After careful review of this section of the application, we found that the Applicant cannot claim points under §11.9(c)(6)(C), but must be able to perform under §11.9(c)(6)(A) of the Qualified Allocation Plan (“QAP”). This section of the QAP states:

(6) Tenant Populations with Special Housing Needs. (§ 42(m)(1)(C)(v)) An Application may qualify to receive two (2) points by serving Tenants with Special Housing Needs. Points will be awarded as described in subparagraphs (A) - (C) of this paragraph. If pursuing these points, Applicants must try to score first with subparagraph (A) and then subparagraph (B), unless the Applicant can establish its lack of legal authority to commit Section 811 PRA Program units in a Development. Subparagraphs (A) and (B) pertain to the requirements of the Section 811 Project Rental Assistance Program (“Section 811 PRA Program”) (10 TAC Chapter 8). Only if an Applicant or Affiliate cannot meet the requirements of subparagraphs (A) or (B) may an Application qualify for subparagraph (C).
(A) An Applicant or Affiliate that Owns or Controls an Existing Development that is eligible to participate in the Department’s Section 811 Project Rental Assistance Program (“Section 811 PRA Program”) must do so in order to receive two (2) points. In order to qualify for points, the Existing Development must commit to the Section 811 PRA Program at minimum 10 Section 811 PRA Program Units, unless the Integrated Housing Rule, 10 TAC §1.15, or the 811 Program Rental Assistance Rule (“811 Rule”), 10 TAC Chapter 8, limits the Existing Development to fewer than 10 Section 811 PRA Program Units. The same Section 811 PRA Program Units cannot be used to qualify for points in more than one HTC Application. The Applicant or Affiliate will comply with the requirements of 10 TAC Chapter 8.

The Applicant has indicated that no existing developments owned by affiliates of the Applicant entity qualify for the Section 811 PRA Program. However, both Villa Brazos and Village at Palm Center would qualify based on documentation submitted in the application packet (email from Spencer Duran to Miranda Sprague 01/31/2018, attached). In addition, the Freeport VB Housing, LP Limited Partnership Agreement indicates that the development can be encumbered if “required by any Governmental Authority” (pages from the application exhibit, attached). The Applicant can clearly perform under §11.9(c)(6)(A), but failed to make this selection and provide the required 811 certification.

Further, this same issue was raised by us on one of our existing developments. We asked if a letter from a lender or limited partner would be sufficient evidence to be removed as a qualifying development for the Section 811 PRA Program. The response from TDHCA staff was an emphatic “no.” In particular, the response indicated:

For 2017, when 811 was a “threshold” item, the lender letter was a concession to that. But, now that 811 is back to being an optional point item, a simple letter from the lender cannot block a property.

and

Simply saying that they are a lender and a lender needs to consent is insufficient.

(email from Spencer Duran to Lora Myrick 02/28/2018, attached).

Therefore, we respectfully request that the score for application #18283 – Pines at Allen Street be reduced by two (2) points for not meeting required criteria outlined in §11.9(c)(6) of the QAP. In addition, because this is a scoring item associated with points rather than an administrative item, it should be considered material and not curable through the §10.201(7) Administrative Deficiency Process.
If you have any questions or would like to discuss the matter further, please do not hesitate to contact me directly at (512) 785-3710 or via email at lora@betcohousinglab.com any time.

Sincerely,

Lora Myrick, Principal
BETCO Consulting, LLC

CC:  Marni Holloway (marni.holloway@tdhca.state.tx.us)
     Sharon Gamble (sharon.gamble@tdhca.state.tx.us)
     Miranda Sprague (apps@itexgrp.com)
     Tamea Dula (tdula@coatsrose.com)
     Audrey Martin (audrey@purplemartinre.com)
Miranda,

The definition in 10 TAC §8.1(8) for Existing Development is “Existing Development--for purposes of 811 PRA Program participation, a property within the Department's portfolio that is not actively applying for multifamily funds at the time, and is being considered to serve as the Eligible Multifamily Property as part of an Applicant's or an Affiliate's current application. For full applications made on or after January 1, 2018, Existing Developments do not include properties for which the only Ownership interest is through the participation of a Historically Underutilized Business, which owns less than 50% of an Existing Development.”

Prospective Applicants for the 2018 Multifamily Cycle had the opportunity to request removal of properties from the List of Eligible Existing Developments for Participation in the Section 811 PRA Program between November 1, 2017 and November 17, 2017.

The Rule is clear that an Existing Development may not be considered if an Applicant can establish its lack of legal authority to commit Section 811 PRA Program units in an Existing Development. We agree that Valley at Cobb Park, Retreat at Cobb Park, and Retreat at Westlock have existing use restrictions that prohibit the units from housing 811 PRA tenants. This information should be submitted as an attachment to Tab 19 with your Multifamily Application. However, we do not agree that the documentation you provided demonstrates a lack of legal authority for Villa Brazos and Village at Palm Center.

At issue is how an Applicant that has an Existing Development that could comply with method A to obtain “811 points” but encounters a legal impediment to committing that property should document the situation to support pursuing the point election under B.

First, the Applicant needs to provide evidence that a third party has a legal right to withhold approval for that property to commit voluntarily to 811 participation. Simply saying that they are a lender and a lender needs to consent is insufficient. It is necessary to provide the specific legally enforceable agreement or other instrument that gives the lender the unambiguous legal right to withhold that consent.

Second, it is necessary to document that the lender (or other third party) that had the legal right to withhold a required consent was asked to give their consent. A minimal request such as “please confirm agreement to the property’s participation in the 811 program” would generally be scrutinized by staff. Staff believes that the financial benefits that are derived at the property level by participation in the 811 program are substantial and should be disclosed in connection with the request so that the party being asked for consent is making an informed decision. In the prior round the staff received enquiries from a number of lenders and provided assurances in this regard.

So, third would be documentation that the third party possessing the legal right to withhold a required consent has, in fact, done so.
In this scenario, provide the agreement or other instrument as an attachment to Tab 19 that prevents an Existing Development from housing 811 PRA tenants.

In addition, in accordance with 10 TAC §10.207(a)(1), Waiver requests for items that were elected to meet scoring criteria or where the Applicant was provided a menu of options to meet the requirement will not be considered under this paragraph.

Thank you,

Spencer

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**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](http://www.tdhca.state.tx.us) or the [Learn about Fair Housing in Texas](http://www.tdhca.state.tx.us) page.

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**From:** Miranda Sprague  
**Sent:** Monday, January 29, 2018 3:59 PM  
**To:** Spencer Duran; Bill Cranor  
**Cc:** Audrey Martin; Michelle Harder; melissa.giacona  
**Subject:** Section 811 Letter in Response to Section 811 List

Good afternoon Mr. Durran and Mr. Cranor,

Please see the attached letter in regards to the Section 811 list of developments issued by TDHCA. Can you please confirm receipt of this email?

Thank you,  
Miranda Sprague, Vice President of Real Estate Development

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**ITEX**  
ITEX Group  
3735 Honeywood Court, Port Arthur, Texas 77642  
Miranda.Sprague@itexgrp.com  
Direct: 409.853.3681 | Cell: 409.720.7803 | Fax: 409.721.6603
Chris/Miranda: This is in response to your recent request to consider the implementation of Section 811 for Villas Brazos. Attached is a letter formalizing the Bank’s decision to decline the Section 811 Subsidy.

The Section 811 Program would require the Partnership to enter into a Use Agreement and a Participation Agreement. Under Section 8.03(i) of the Partnership Agreement, the GP cannot “otherwise encumber all or any portion of the Project” without LP consent. Entering those agreements would fit under this restriction.

Please let me know if you would like to discuss further.

Thanks,

Gina

Gina Bender
SVP; Team Leader
Tax Credit Equity Investments Asset Management
Bank of America Merrill Lynch
Bank of America, N.A.
MA1-225-02-02 | 225 Franklin Street | Boston, MA 02110
T 617.346.1426 F 617.346.2724
regina.s.bender@baml.com

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https://mail.google.com/mail/u/0/?ui=2&ik=39255554fb&jsver=eqR4NK8aF08.en.&view=pt&search=inbox&th=161961869b702500&siiml=161961869b702500...
AMENDED AND RESTATED
LIMITED PARTNERSHIP AGREEMENT
OF
FREEPORT VB HOUSING, LP,
A TEXAS LIMITED PARTNERSHIP
by and among
Freeport VB Housing GP, LLC,
a Texas limited liability company,
as General Partner,
Bank of America, N.A.,
as Limited Partner, and
Banc of America CDC Special Holding Company, Inc.,
a North Carolina Corporation
as Special Limited Partner
dated as of May 23, 2013
commence and prosecute appropriate actions with respect to ad valorem taxes payable by the Partnership provided (i) that such action is customary in the area where the Property is located, (ii) any fees or expenses payable by the Partnership, including, but not limited to, attorney’s fees, relating to such action are contingent upon, and in an amount based on a percentage of, the actual savings in such ad valorem taxes achieved by such action, and (iii) General Partner provides Limited Partner written notice of the commencement of such action, which notice will include copies of all materials filed in connection with such action, and General Partner provides to Limited Partner such other reasonable information regarding such action as Limited Partner may from time to time request;

8.03(f) Act in any manner which General Partner knew or should have known will

8.03(g) cause the termination of the Partnership for federal income tax purposes, or

8.03(h) cause the Partnership to be treated for federal income tax purposes as an association taxable as a corporation;

8.03(i) Sell, convey, lease or otherwise encumber (other than Residential Leases complying with the provisions of this Agreement) all or any portion of the Project or other Property except as provided in the Loan Documents or required by any Governmental Authority;

8.03(j) Withdraw, admit or substitute a General Partner or any other Partner;

8.03(k) Make a loan of Partnership funds to any Person including General Partner or any Affiliate;

8.03(l) Borrow funds in the name of the Partnership (except for the Loans), refinance the Loans, or incur any indebtedness for borrowed money except for trade payables in the normal course of business;

8.03(m) Dissolve the Partnership;

8.03(n) Amend this Agreement;

8.03(o) Amend, or cause the Partnership to amend, any Loan Document;

8.03(p) Make income tax elections, except for those elections which are purely ministerial in nature;

8.03(q) Acquire any real or personal property tangible or intangible in addition to the Project or any replacement of personal property within the Project, the aggregate value of which will exceed $10,000 in a single Fiscal Year (other than easements or similar rights necessary or convenient for the operation of the Project and other than as set forth in the Development Budget or any Annual Budget approved pursuant to the terms of this Agreement) other than as may be required by any Governmental Authority;
Lora,

Apologies for the delayed response.

The letter was sufficient to preclude Section 811 program participation for the 2017 cycle, but it does not have a bearing regarding the Approved Existing Development List for the 2018 cycle.

The Approved Existing Development List only considered the following factors:

- Received an award under a Department administered program in or after 2002 or otherwise approved by the Department,
- Are located within an Eligible MSA and not already exceeding the maximum 811 Unit commitment,
- Have a UPCS score of at least 80 on its most recent TDHCA REAC inspection or has not yet had a UPCS inspection, and
- Have an occupancy rate of at least 85% or have not yet submitted a Unit Status Report; OR

Properties otherwise approved by the Department; OR

Properties already participating in the Section 811 PRA Program.

For 2017, when 811 was a “threshold” item, the lender letter was a concession to that. But, now that 811 is back to being an optional point item, a simple letter from the lender cannot block a property.

If you would like an existing development from being precluded from participation, we are asking that you provide the following:

The definition in 10 TAC §8.1(8) for Existing Development is “Existing Development--for purposes of 811 PRA Program participation, a property within the Department’s portfolio that is not actively applying for multifamily funds at the time, and is being considered to serve as the Eligible Multifamily Property as part of an Applicant's or an Affiliate's current application. For full applications made on or after January 1, 2018, Existing Developments do not include properties for which the only Ownership interest is through the participation of a Historically Underutilized Business, which owns less than 50% of an Existing Development.”

Prospective Applicants for the 2018 Multifamily Cycle had the opportunity to request removal of properties from the List of Eligible Existing Developments for Participation in the Section 811 PRA Program between November 1, 2017 and November 17, 2017.

The QAP is clear that an Existing Development may not be considered if an Applicant can establish its lack of legal authority to commit Section 811 PRA Program units in an Existing Development.
At issue is how an Applicant that has an Existing Development that could comply with method A to obtain “811 points” but encounters a legal impediment to committing that property should document the situation to support pursuing the point election under B.

First, the Applicant needs to provide evidence that a third party has a legal right to withhold approval for that property to commit voluntarily to 811 participation. Simply saying that they are a lender and a lender needs to consent is insufficient. It is necessary to provide the specific legally enforceable agreement or other instrument that gives the lender the unambiguous legal right to withhold that consent.

Second, it is necessary to document that the lender (or other third party) that had the legal right to withhold a required consent was asked to give their consent. A minimal request such as “please confirm agreement to the property’s participation in the 811 program” would generally be scrutinized by staff. Staff believes that the financial benefits that are derived at the property level by participation in the 811 program are substantial and should be disclosed in connection with the request so that the party being asked for consent is making an informed decision. In the prior round the staff received enquiries from a number of lenders and provided assurances in this regard.

So, third would be documentation that the third party possessing the legal right to withhold a required consent has, in fact, done so.

In this scenario, provide the agreement or other instrument as an attachment to Tab 19 that prevents an Existing Development from housing 811 PRA tenants.
May 22, 2018

Ms. Lora Myrick
Housing Lab by BETCO
2201 Northland Drive
Austin, TX 78756

RE: REQUEST FOR ADMINISTRATIVE DEFICIENCY: 18283 PINES AT ALLEN STREET

Dear Ms. Myrick:

The Texas Department of Housing and Community Affairs (the “Department”) is in receipt of your Third Party Request for Administrative Deficiency (“RFAD”) requesting that the Department review the Application above to determine whether the Application should be eligible for points under 10 TAC §11.9(c)(6) related to Tenant Populations with Special Housing Needs. The request states that the Applicant must qualify under §11.9(c)(6)(A) but selected §11.9(c)(6)(C) in the Application.

Staff from the Section 811 PRA program reviewed the issue and determined that the Applicant properly documented and submitted its inability to qualify under sections “(A)” and “(B)” of the rule and is eligible to score under section “(C)” of the rule. This Application qualifies for the points due to the circumstances described and reviewed in its Application, which may be different from the circumstances described by the RFAD in the previous 2017 review indicated in the request.

I do not find that the issues raised in your request should be the subject of an Administrative Deficiency under this process. For purposes of the request, the matter is considered closed. If you have questions or require further information, please contact me.

Sincerely,

Marni Holloway
Multifamily Division Director

Cc: Miranda Sprague
Real Estate Analysis Division staff will place scanned copies of RFI documents behind this tab in the application .pdf
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